



INDEPENDENT
SECTOR

TRUST IN CIVIL SOCIETY:

Understanding the factors driving trust in nonprofits and philanthropy



MAY 2022



ABOUT INDEPENDENT SECTOR

Independent Sector is the only national membership organization that brings together a diverse community of changemakers, nonprofits, foundations, and corporations working to strengthen civil society and ensure all people in the United States thrive.

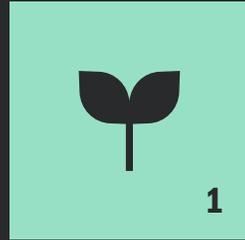
As the vital meeting ground, we advance our mission by fostering a sense of belonging, catalyzing action, and providing policy leadership across the full breadth of the charitable sector.

We would like to thank Edelman Data and Intelligence for their partnership in the development of this report.





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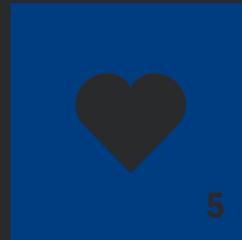
Key Findings



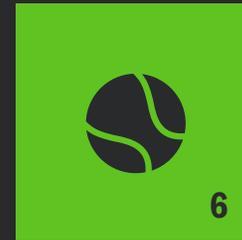
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Trust Metrics



Building Trust



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INTRODUCTION

Public trust is the currency of the nonprofit sector. The public’s belief that nonprofits will “do the right thing” is one of the central reasons the sector exists. Communities have relied upon nonprofits to provide education, culture, life-sustaining services, environmental stewardship, and places of refuge for centuries. In today’s highly polarized environment, understanding and managing trust have never been more important for organizations to own their license to operate, lead, and succeed. Given the outsized importance of trust, it is imperative to assess the status of that trust and how the sector can strengthen its most valuable asset.

Independent Sector, in partnership with Edelman Data & Intelligence, is releasing our third annual report of survey findings that explores the nuances of trust in American nonprofit and philanthropic organizations. Building on Independent Sector’s four decades of bringing together the charitable community for the common good and Edelman’s experience studying trust in both the global and U.S. context, we set out to conduct a national survey of over 3,000 American adults. The survey assesses the general population’s trust in the sector (philanthropy and nonprofits) and uncovers the factors that drive trust in the sector. These trust survey findings, in addition to being reported in the following document, will be factored into Independent Sector’s *Health of the U.S. Nonprofit Sector* reports.





KEY FINDINGS (PART 1)

The third annual study of trust in nonprofits and philanthropy found that reported trust in philanthropy is holding steady, while trust in nonprofits has marginally trended down in 2022.

Looking beneath the topline numbers reveals potential insights and differences across the who, where, and why of people’s trust in the sector.

The data also raises the question of whether underlying systemic issues may impact the public’s perception of the nonprofit sector.

Specific findings include...

1

Trust in philanthropy held steady while trust in nonprofits saw a small downward trend during the COVID pandemic

Today 56% of Americans say they trust nonprofits, down a statistically significant 3-points from the 2020 benchmark study (59%). Philanthropy trust edged down from 36% to 34% during the same period, but this difference is not statistically significant.

2

Low trust across institutions, but nonprofits among most trusted

Trust in major American institutions is quite low – only nonprofits, small businesses, and local community members are trusted by a majority or near-majority of the public. Less than one-third say the same of government, large corporations, and the news media.

3

Trust is closely tied to financial well-being and education

Americans rating their current financial situation as excellent or good were 17 points and 20 points more likely to express high trust in nonprofits and philanthropy, respectively. And, consistent with past waves, having a college degree is more predictive of trust in the sector than any other demographic variable analyzed. When education and finances are controlled, respondents’ race is not a predictor of trust in nonprofits or philanthropy, with the notable exception of Black Americans who have slightly higher than average trust compared to other groups.



KEY FINDINGS (PART 2)

The third annual study of trust in nonprofits and philanthropy found that reported trust in philanthropy is holding steady, while trust in nonprofits has marginally trended down in 2022.

Looking beneath the topline numbers reveals potential insights and differences across the who, where, and why of people's trust in the sector.

The data also raises the question of whether underlying systemic issues may impact the public's perception of the nonprofit sector.

Specific findings include...

4

Trust among women declined during the pandemic

Women's trust in nonprofits has declined by 5 points since 2020, while men's trust remained stable. This may be partly explained by women's lower reported financial well-being and familiarity with nonprofits (two characteristics that are strongly correlated with trust) compared to men. These findings raise questions about whether macro-trends regarding women's slower recovery post-COVID correlate with their trust in nonprofits.

5

Gen Z is skeptical of the sector, though views have not fully solidified

57% of Gen Z Americans (4 points higher than average) say giving directly to individuals and causes makes a bigger impact than giving to nonprofits. Gen Z trust is also lower than average for nonprofits (-6 points) and philanthropy (-9 points). However, lower trust among this cohort is due to a high proportion of reported neutral feelings – neither high trust nor distrust – towards the sector compared to older generations. This suggests Gen Z's opinions are still malleable and perceptions of nonprofits and philanthropy can improve as their knowledge and exposure to the sector increases.

6

Integrity and Purpose remain critical to building and maintaining trust

Consistent with past waves, integrity and purpose contribute most to trust for both nonprofits and philanthropy. Distrusters in both sectors point to perceived mismanagement of funds and instances of corruption and scandals. Neutral trusters say financial transparency and proof of impact is necessary for them to see an organization as trustworthy. Public figure endorsements, communicating clear organizational mission and values, and demonstrating results remain the top drivers of trust for nonprofits and philanthropy.



KEY RESEARCH TERMS

Nonprofit organizations

can include churches and religious organizations, historic societies and museums, health and human services organizations, animal or environmental groups, and groups that help veterans.

Philanthropy

can include corporate philanthropy, private foundations, or high net worth individuals engaged in philanthropic efforts.

Methodology

Edelman Data & Intelligence fielded a 20-minute online survey among U.S. adults ages 18+. Results were weighted to ensure the sample is comparable to previous waves of the study* and is nationally representative across race, income, educational attainment, gender, age, region, and urbanicity.

Audience	Sample size	Margin of error	Timeframe
U.S. general population	N = 3,015	±2%	February 7th - February 28th, 2022

*Wave 1 of Nonprofit 2020 study was fielded December 2 - 19, 2019 with n=3,000 participants
 *Wave 1 of Philanthropy 2020 study was fielded February 28 - March 16, 2020 with n=3,000 participants
 *Wave 2 of Nonprofit study was fielded April 29 - May 18, 2021 with n=5,000
 *Wave 2 of Philanthropy study was fielded April 29 - May 18, 2021 with n=3,000
 *Wave 3 combines Nonprofit and Philanthropy studies in a single survey with n = 3,015 participants

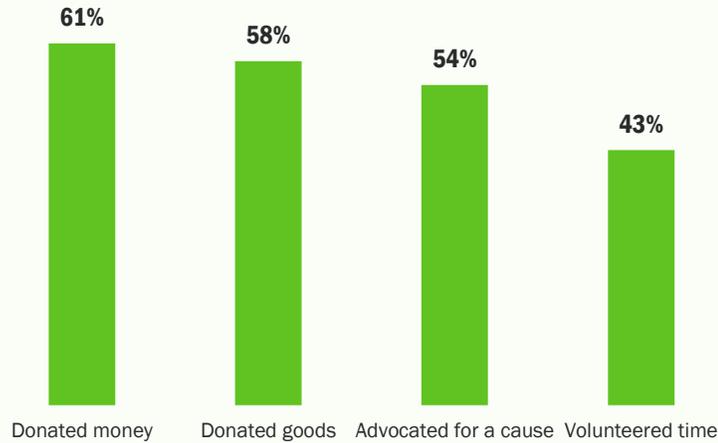


Public Engagement with Nonprofits and Philanthropy



ROUGHLY 6 IN 10 AMERICANS REPORT DONATING TO A NONPROFIT AT LEAST ONCE IN THE PAST YEAR AND MORE THAN HALF HAVE ADVOCATED FOR A CAUSE

Support for Nonprofits & Causes – Past 12 Months
Shown: Percent Reported Action At Least Once



Median Hours Reported Per Month
Shown: Median Responses Among Those Reporting Action

- 5** hours per month spent volunteering with a nonprofit organization
- 2** hours per month spent advocating for a cause
- 2** hours per month spent advocating for a cause through a nonprofit

Q9: In an average month, how many hours do you spend volunteering with nonprofit organizations? Please round to the nearest whole hour. Your best estimate is fine.
 Q10: In an average month, how many hours do you spend advocating for issues or causes you care about? This could include things like contacting an elected official, signing a petition, or attending a rally or demonstration. Do NOT include time spent posting or sharing information on social media.
 Q10B: You mentioned you spend some of your time advocating for issues or causes during an average month. About how many of those hours are spent advocating through a nonprofit? By "advocating through a nonprofit" we mean working with a nonprofit, using resources from a nonprofit, or attending events sponsored by a nonprofit to advocate for an issue you care about.



AMERICANS SEE THE ROLE OF NONPROFITS AND PHILANTHROPY AS IMPROVING LIVING CONDITIONS, SERVING ALL MEMBERS OF THE COMMUNITY, AND FINDING SOLUTIONS TO SOCIETAL PROBLEMS

Preferred Role for Nonprofits and Philanthropy

Shown: Open-end responses



The role of nonprofits should be to give back to the community. They support people that need extra help and provide services for everyone to enjoy.



[Nonprofits should] serve urgent public needs. Engaging in a solutions-oriented approach to social or environmental problems. Upholding entrepreneurship and a pioneer spirit for average citizens.



[Nonprofits] should contribute to building and improving communities and living conditions for the people who reside there.



Work for the betterment of all society, but many times they focus on areas important to the wealthy philanthropist, which may not help society as a whole. They should help those who are less fortunate.



[Philanthropy] needs to support groups and organizations often not done so by the government or businesses, so they, too, can flourish and help others in an important and significant way.



[Philanthropy should] promote their causes and actively speak about them. Set up events to help the community feel more connected.



MANY AMERICANS BELIEVE GIVING DIRECTLY TO CAUSES OR INDIVIDUALS MAKES A BIGGER IMPACT THAN GIVING THROUGH A NONPROFIT ORGANIZATION



Agree:

Donating to a nonprofit organization that supports that cause makes a greater impact



Agree:

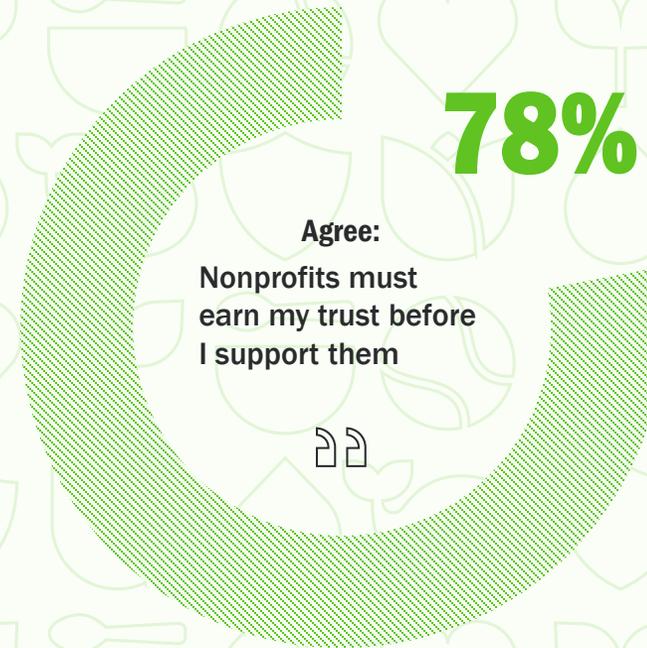
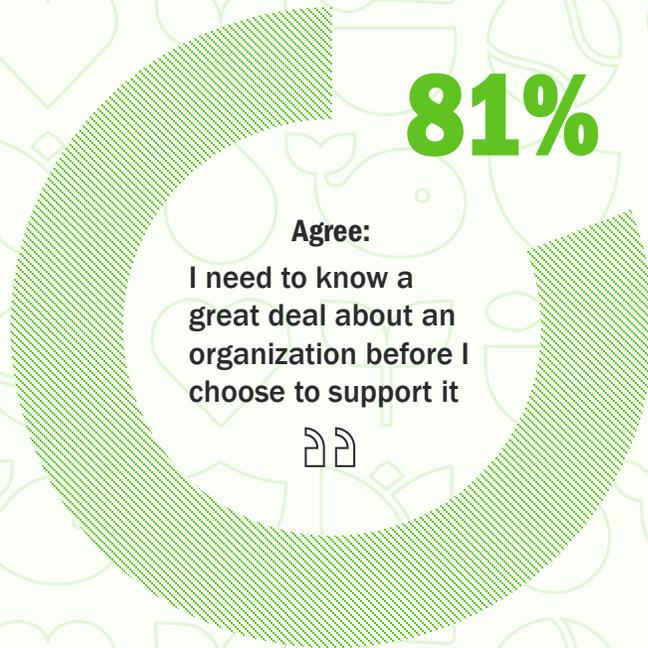
Donating directly to the people or cause you support makes a greater impact

Belief Direct Donations Make a Greater Impact Shown: Percent Agree, by Selected Demographics

Rural resident	57% (+4)
Hispanic ethnicity	57% (+4)
Gen Z	57% (+4)
Women	55% (+2)
Independent voter registration	55% (+2)
Non-college educated	54% (+1)



**TRUST IS A NECESSARY CONDITION FOR PUBLIC
ENGAGEMENT WITH NONPROFIT ORGANIZATIONS**





Trust Metrics for Nonprofit and Philanthropic Sectors



MEASURING TRUST CAPITAL

Based on overall trust on a 9-point scale: “How much do you trust X to do what is right?”

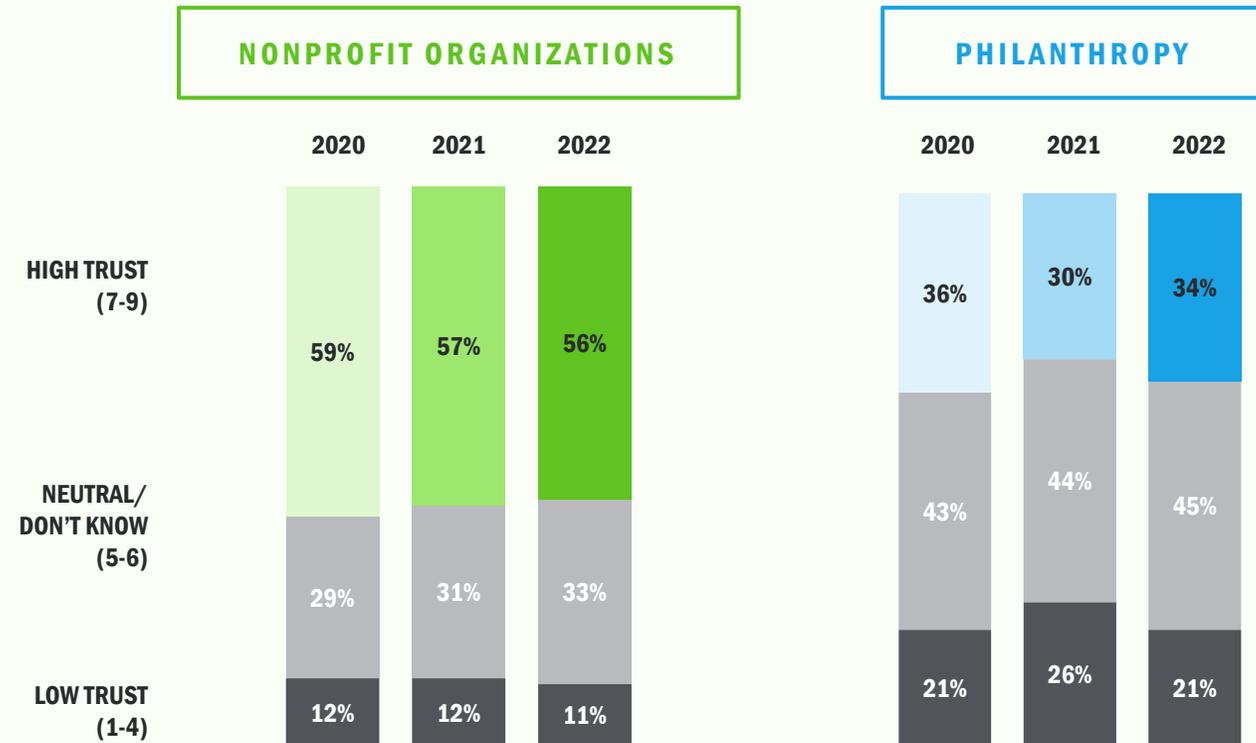
High Trust: 7-9

Neutral: 5-6

Low Trust: 1-4

The Nonprofit Sector enjoys much higher public trust compared to Philanthropy

Trust in nonprofits has marginally declined since 2020. Trust in philanthropy saw a slight increase in 2022 after experiencing a 6-point drop between 2020 and 2021.



Q17: How much do you trust nonprofit organizations to do what is right? Q30/36/42: How much do you trust [companies that engage in corporate philanthropy, private foundations, high net worth individuals engaged in philanthropy] to do what is right? Total Base Size n=3,015



TRUST CAPITAL ACROSS PHILANTHROPY SUBSECTORS

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Based on overall trust on a 9-point scale: “How much do you trust X to do what is right?”

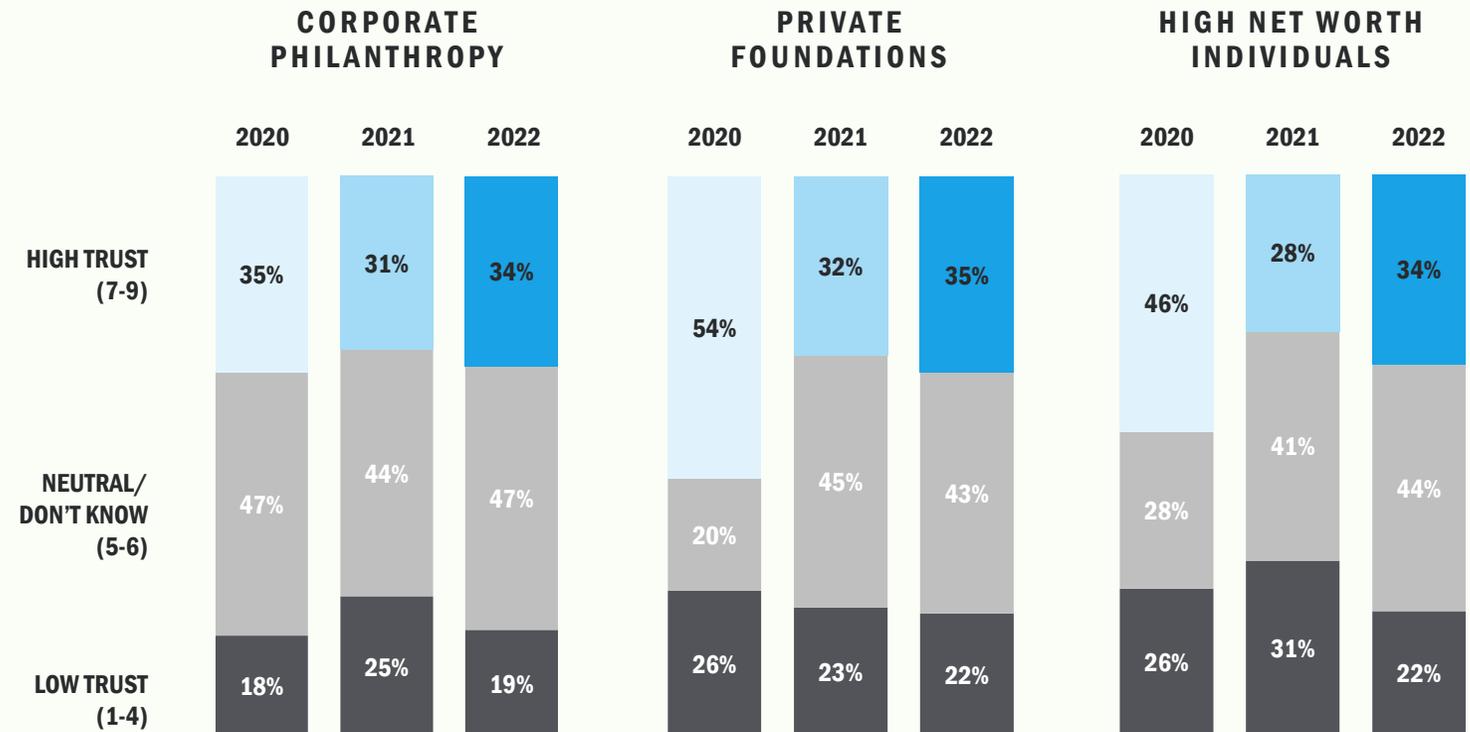
High Trust: 7-9

Neutral: 5-6

Low Trust: 1-4

Trust is consistently low across Corporate Philanthropy, Private Foundations, and High Net-Worth Individual Giving

Nearly half across subsectors express neutral views, while roughly 1 in 5 express distrust.



Q30: How much do you trust companies that engage in corporate philanthropy to do what is right? Base Size: n=1,010, Q36: How much do you trust private foundations to do what is right? Base Size: n=999, Q42: How much do you trust high net worth individuals engaged in philanthropy to do what is right? Base Size: n=1,006



TRUSTERS IN NONPROFITS AND PHILANTHROPY FOCUS ON HUMANITARIANISM AND PAST ACHIEVEMENTS, WHILE DISTRUSTERS POINT TO GREED, PAST SCANDALS, AND PERCEIVED SELF-SERVING MOTIVES

Reasons for High Trust in Nonprofits: 56%

- Belief in nonprofit's mission
- Perceived altruistic motivations
- Personal experiences / ties to nonprofits
- Aware of organizations with a proven track record
- Regulated and held accountable by government

Reasons for Low Trust in Nonprofits: 11%

- Mismanaged funds and high overhead
- Inappropriate political agenda
- Inappropriate business ties
- General corruption
- Heard about scams

Reasons for High Trust in Philanthropy: 34%

- Perceived altruistic motivations
- Trust in government regulations of philanthropy
- Aware of well-known public figures who are philanthropists
- Aware of organizations that are transparent and open about their efforts and where money goes

Reasons for Low Trust in Philanthropy: 21%

- Mismanaged funds
- Belief they only do it for publicity/PR value
- Knowledge of philanthropic scandals or corruption
- General feelings of mistrust towards wealthy people



NEUTRAL TRUSTERS WANT TO SEE FINANCIAL TRANSPARENCY AND A PROVEN RECORD OF RESULTS BEFORE THEY TRUST NONPROFIT AND PHILANTHROPIC ORGANIZATIONS

Signals of Nonprofit Trustworthiness:

(Asked of Respondents Reporting Neutral Trust)

- Financial transparency
- Demonstrable results using donations
- Transparency about political affiliations/ideology
- More information about the organization generally

Signals of Philanthropy Trustworthiness:

(Asked of Respondents Reporting Neutral Trust)

- Financial transparency
- Demonstrable results
- Proven track record
- Gives back to the local community



That most of their donations are used to help people and not line the pockets of someone in the organization.



General transparency, visibility in my local community, personally knowing people who are involved in the various organizations.



Direct impact and proven positive acts in the community, financial transparency, substantial involvement in improving social justice.

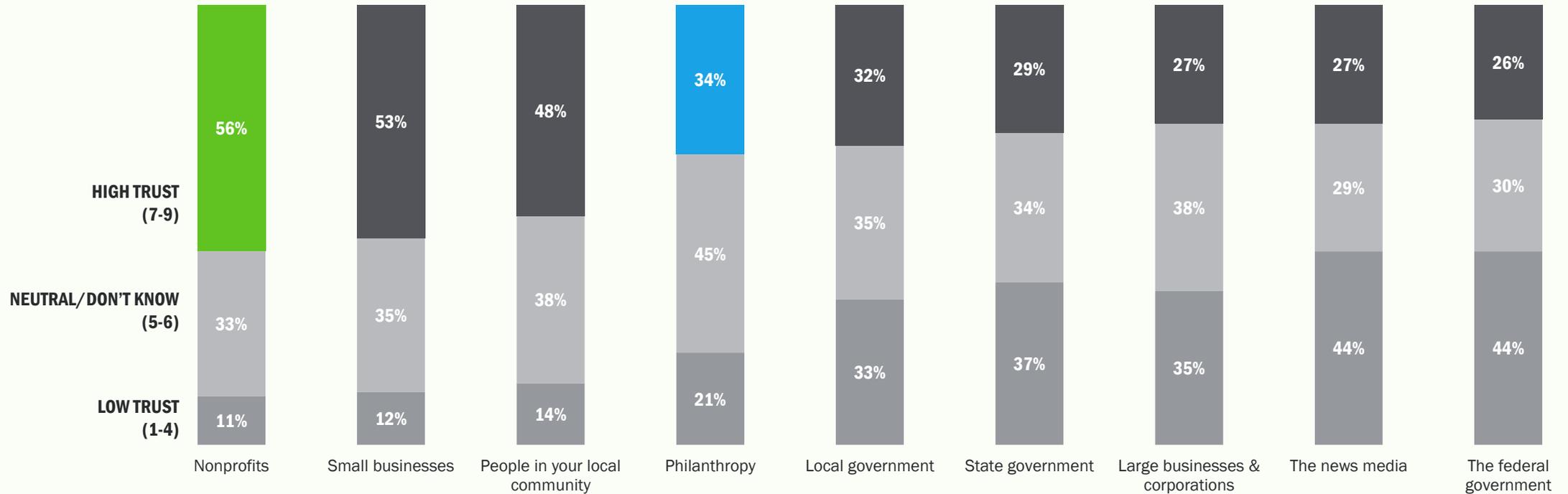


Transparent financials, time tested/been in existence for some time with a proven track record.



NONPROFITS ARE MORE TRUSTED THAN GOVERNMENT, THE NEWS MEDIA AND LARGE CORPORATIONS TO DO WHAT IS RIGHT

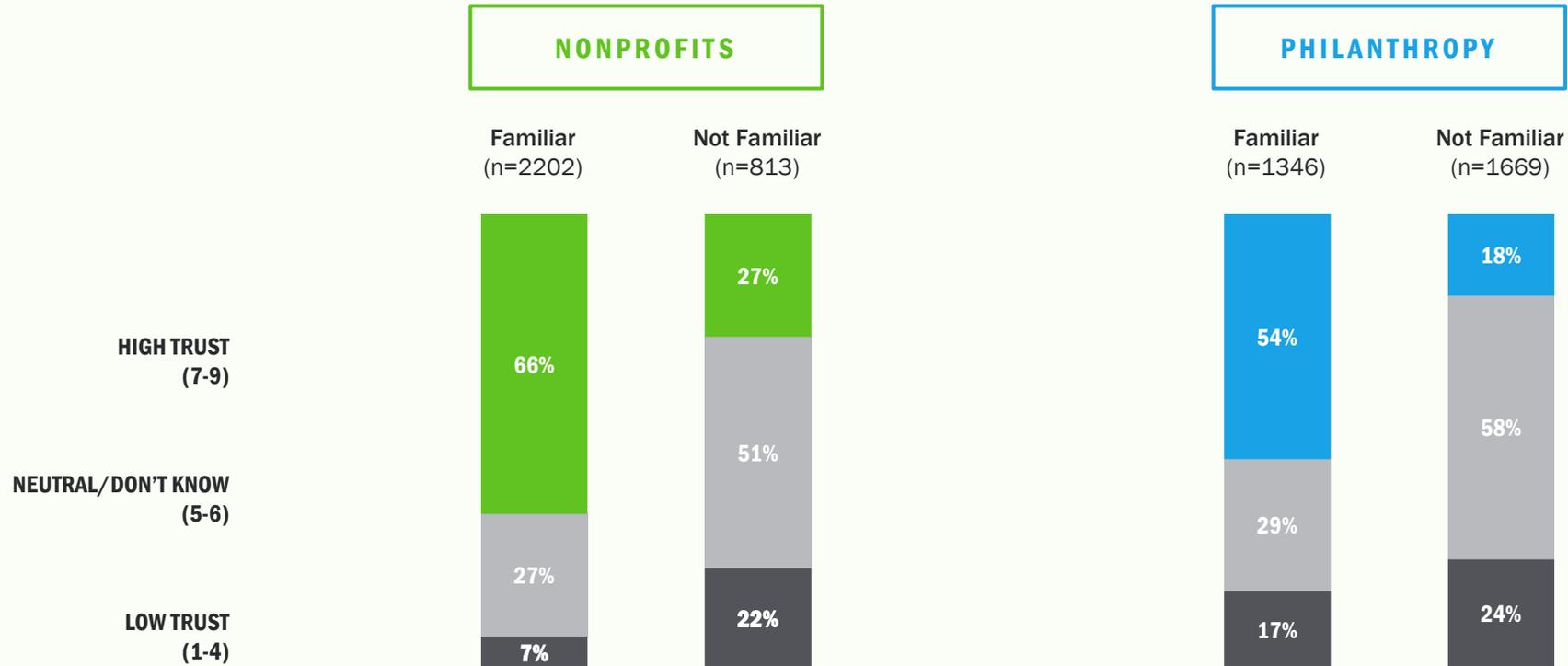
Besides nonprofits, only small businesses and local community members are trusted by a majority or near-majority of Americans.





FAMILIARITY IS A KEY FACTOR PREDICTING TRUST IN NONPROFITS AND PHILANTHROPY

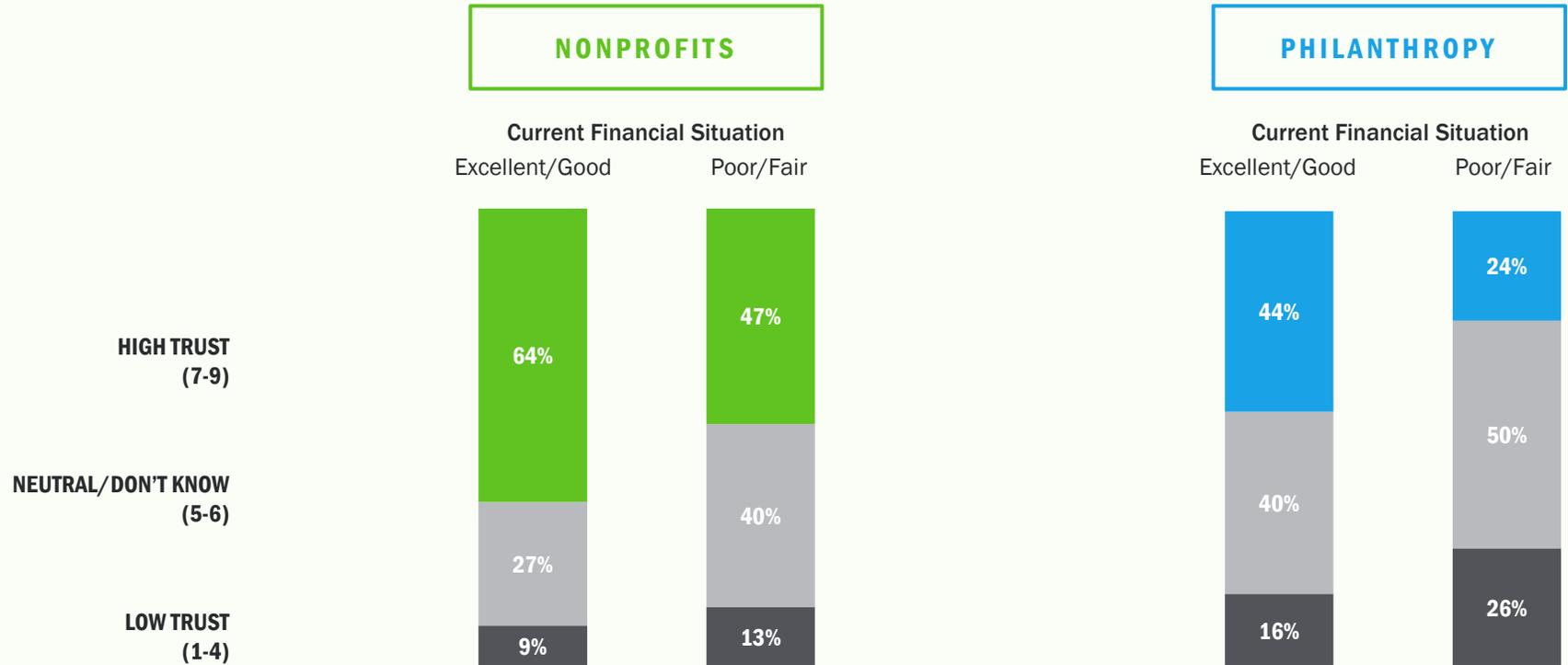
Those familiar with nonprofits and philanthropy were 39 points and 36 points, respectively, more likely to trust each sector compared to those unfamiliar.





INSTITUTIONAL TRUST STRONGLY CORRELATES WITH STRENGTH OF PERSONAL FINANCES

Americans rating their financial situation as excellent or good were 17 points and 20 points more likely to express high trust in nonprofits and philanthropy, respectively.





TRUST VARIES BY DEMOGRAPHIC CHARACTERISTICS

Trust in both nonprofits and philanthropy is strongly correlated with socioeconomic status; college-educated and higher income Americans report much higher trust compared to the general population. Democrats, Millennials, urban residents, and men also report higher trust, while rural and Gen Z respondents' trust is substantially lower. Trust does not vary by ethnicity with the exception of Black Americans who report higher than average trust in both sectors.

NONPROFITS	%-age point difference from average
College-educated	+12
Democratic voter registration	+10
Household Income \$75k+	+9
Black American	+5
Millennial generation	+4
Men	+4
GENERAL POPULATION AVERAGE	56%
Women	-4
Independent voter registration	-5
Non-college	-5
Gen Z	-6
Rural resident	-7
HHI < \$35k	-7

PHILANTHROPY	%-age point difference from average
College-educated	+14
Household Income \$75k+	+11
Democratic voter registration	+10
Black American	+8
Urban resident	+7
Men	+6
Millennial generation	+5
GENERAL POPULATION AVERAGE	34%
Women	-5
Independent voter registration	-5
Non-college	-5
Rural resident	-7
HHI < \$35k	-7
Gen Z	-9



THE SOCIOECONOMIC TRUST GAP HAS WIDENED FOR NONPROFITS AND PHILANTHROPY

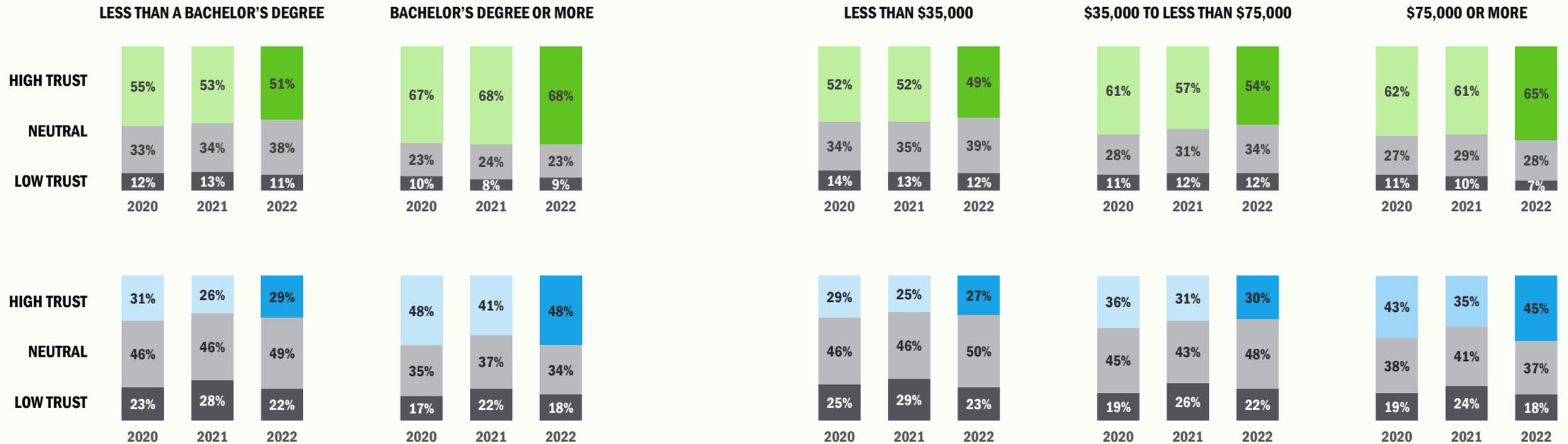
The difference in trust between college-educated and non-college-educated Americans expanded for both sectors in 2022 compared to 2021 (+2 points for nonprofits and +4 points for philanthropy). Upper-income Americans also reported increased trust compared to last year unlike their low- and middle-income peers.



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EDUCATION

HOUSEHOLD INCOME



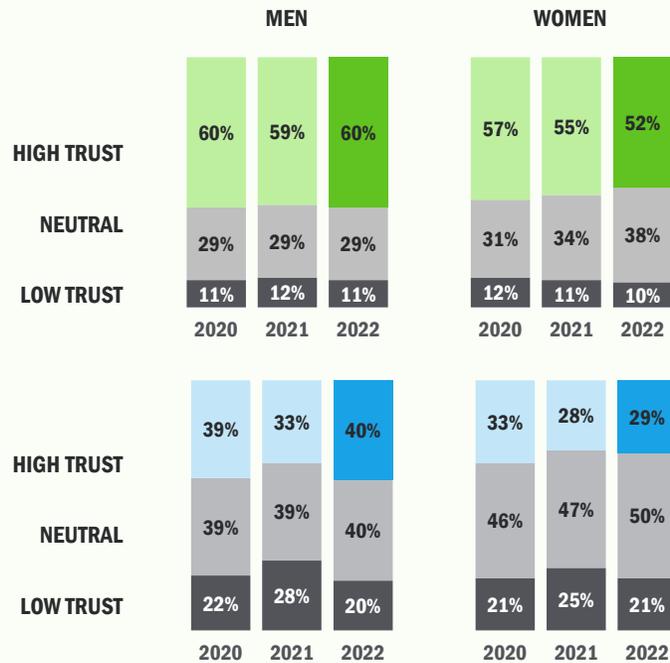


TRUST IN BOTH SECTORS IS LOWER THAN AVERAGE FOR WOMEN AND GEN Z

Data analysis shows financial well-being and familiarity are strongly correlated with trust. Lower trust for women and Gen Z respondents may partly be explained by these groups' lower reported ratings on these factors.



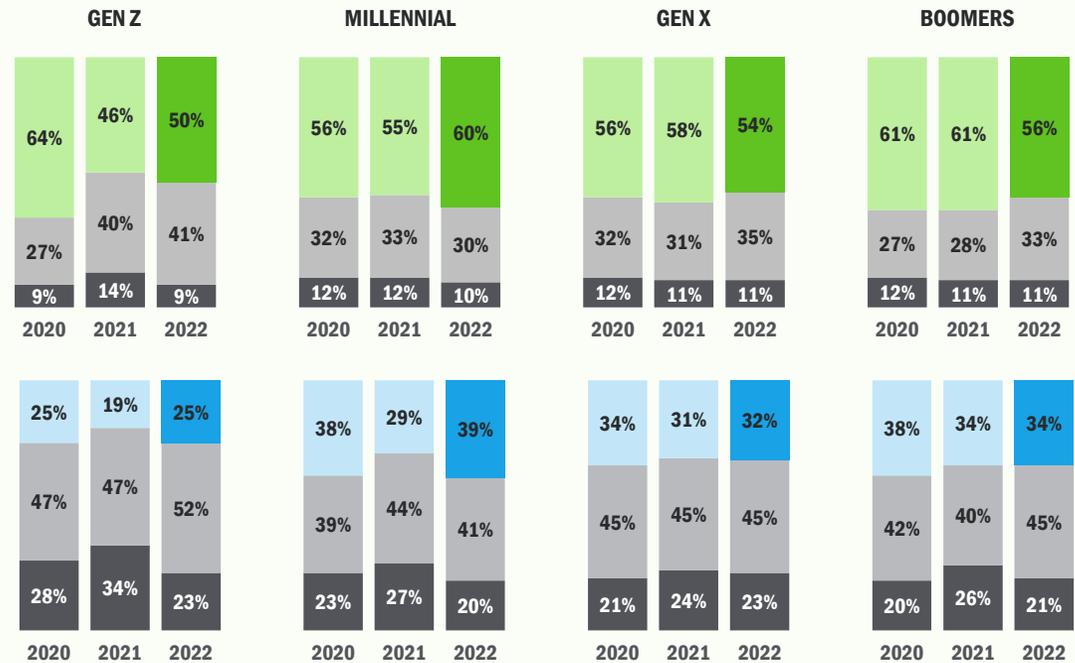
GENDER



Women are 4 points less likely to rate their finances as Excellent or Good and 4 points less likely to be familiar with nonprofits compared to men

Gen Z are 8 points less likely to rate their finances as Excellent or Good and 4 points less familiar with nonprofits compared to average

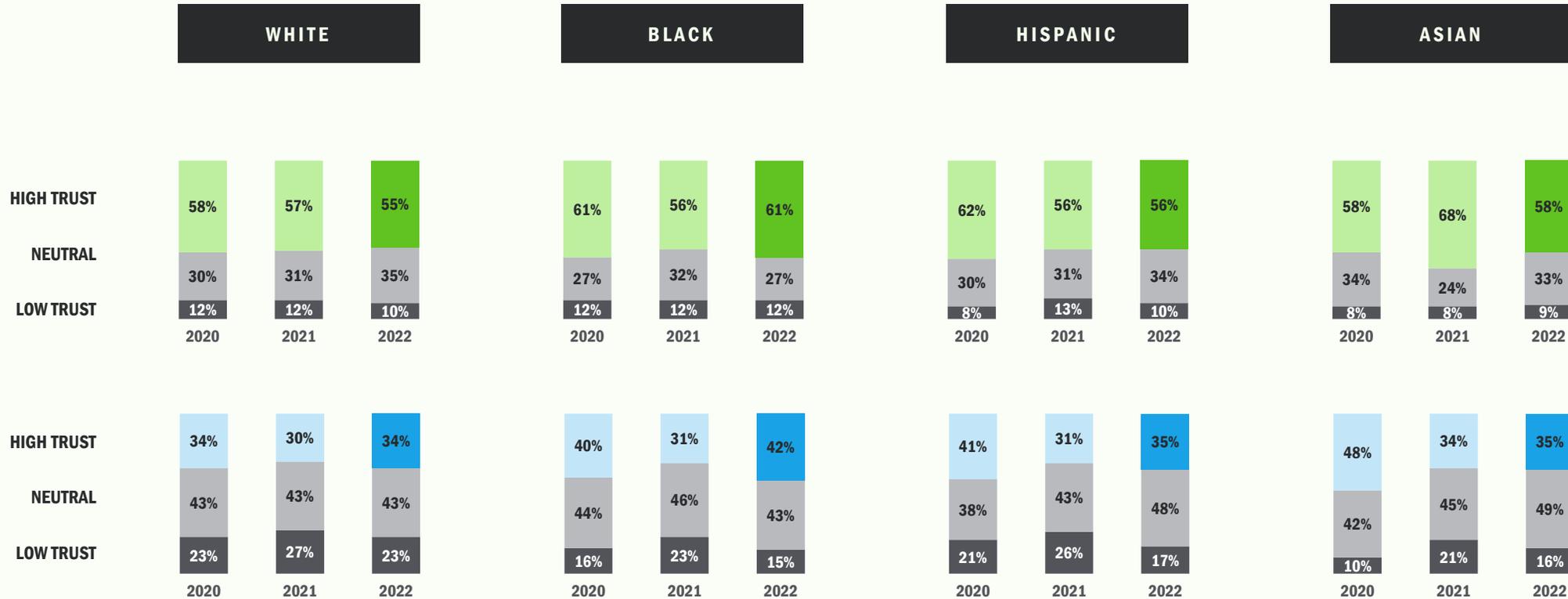
GENERATION





TRUST DOES NOT SUBSTANTIALLY VARY BY ETHNICITY

Black Americans are a notable exception, reporting slightly higher trust in both nonprofits and philanthropy in 2022 compared to other groups.





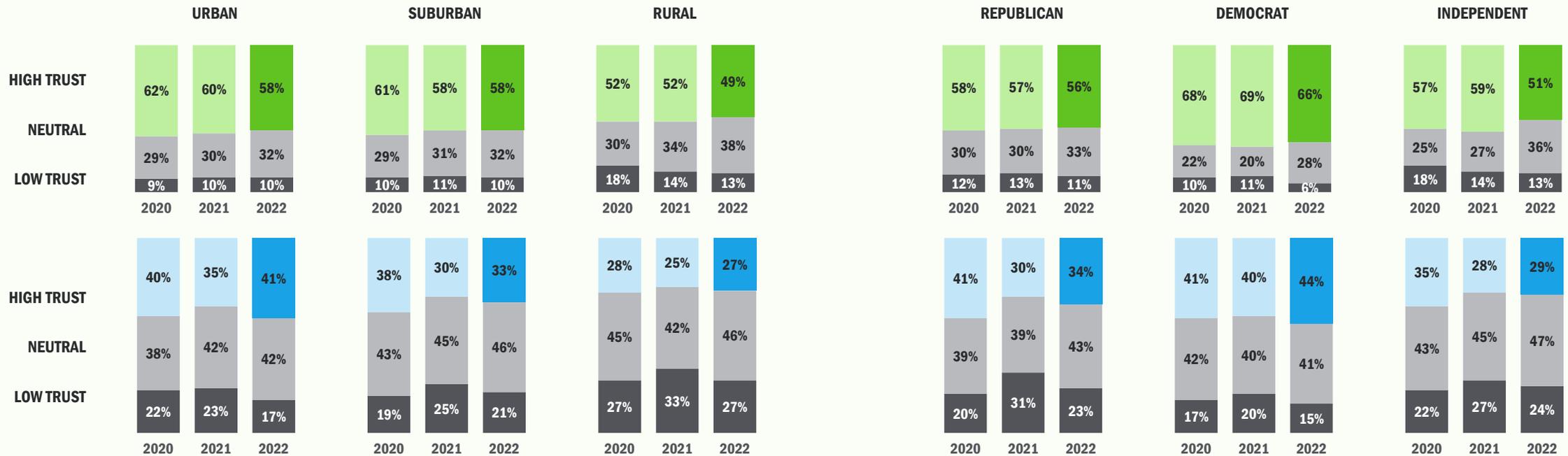
**DEMOCRATS CONSISTENTLY REPORT HIGHER THAN AVERAGE TRUST
IN NONPROFITS AND PHILANTHROPY WHILE INDEPENDENTS AND
RURAL RESIDENTS REPORT LOWER TRUST**



URBANICITY

POLITICAL AFFILIATION

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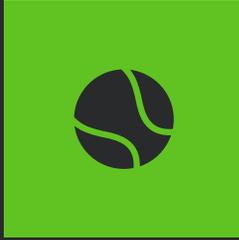
Q17: How much do you trust nonprofit organizations to do what is right? Nonprofit 2020 Base Size n=3000, 2021 n=5000, 2022 n=3015
Q30/36/42: How much do you trust companies that engage in [corporate philanthropy/private foundations/high net worth individuals] to do what is right? Philanthropy 2020 Base size n=3000, 2021 n=3000, 2022 n=3015



Building Trust: Uncovering the Levers of Trust Capital



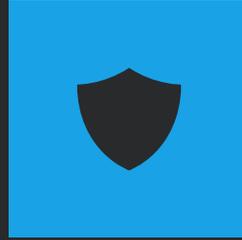
FOUR OVERARCHING DIMENSIONS OF TRUST, TESTED FOR NONPROFITS AND PHILANTHROPY



ABILITY

Good at what they do

Has the skills, expertise, competencies and resources to have influence



INTEGRITY

Is honest

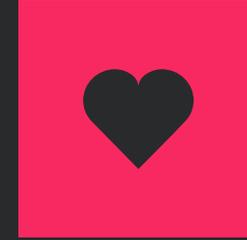
Adheres to a set of principles, transparent and credible



DEPENDABILITY

Keeps its promises

Consistent and reliable, delivers on the commitments it makes



PURPOSE

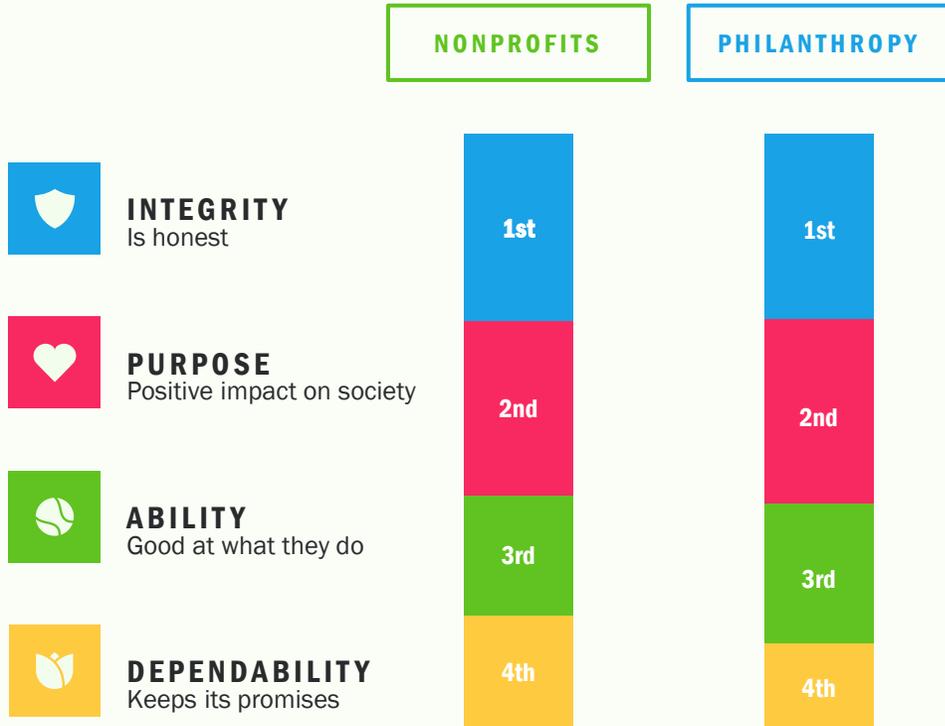
Tries hard to have a positive impact on society

Wants to do good, is loyal, caring and non-opportunistic



INTEGRITY AND PURPOSE CONTRIBUTE MOST TO TRUST FOR BOTH SECTORS; ABILITY AND DEPENDABILITY ARE SECONDARY CONTRIBUTORS

The Four Dimensions Ranked by Modeled Contribution to Trust
Shown: Statistical Analysis of Impact of Each Dimension on Sector Trust



METHODOLOGY EXPLANATION

Trust is a dynamic, multi-faceted phenomenon.

To untangle the factors that impact trust, we created a statistical model relating survey respondents' evaluation of the Nonprofit and Philanthropy sectors' performance on the Four Dimensions to their reported level of trust in each sector.

The results of this mathematical model allows us more comprehensive insights into which dimensions have the greatest total effect on trust in nonprofits and philanthropy.

The results of this analysis are shown to the left – Dimensions are ranked by their predicted contribution to trust in each sector.



TOP TRUST DRIVERS FOR NONPROFITS AND PHILANTHROPY

Statistical analysis of survey data was used to uncover the specific levers that drive trust in nonprofit organizations and philanthropy. Based on this analysis, the top five drivers of trust ranked by impact for each sector are included below, out of a list of 27 behaviors and attributes tested.

Top Trust Drivers: The Nonprofit Sector

Shown: Contribution to Trust ranked by Modeled Effect

RANK	DRIVER
1	Celebrity/public figure endorsements
2	Clear mission
3	Engages underserved communities
4	Demonstrating how support leads to results
5	Benefits my community

Top Trust Drivers: The Philanthropic Sector

Shown: Contribution to Trust ranked by Modeled Effect

RANK	DRIVER
1	Celebrity/public figure endorsements
2	Government partnerships
3	Business partnerships
4	Clear values
5	Clear mission



INSIGHTS FOR CONSIDERATION & ACTION

Independent Sector builds upon this report's point-in-time snapshot of the state of public trust in the nonprofit sector to offer additional insights for consideration and action. This section connects findings in this report with ongoing action among policymakers, nonprofit researchers, and practitioners.

1

Leverage Existing Trust to Strengthen Democracy

Familiarity is strongly tied to trust. The more people interact with nonprofits, the greater their level of trust, which may be one reason nonprofits lead in trust compared to other institutions. Findings in previous years show people's engagements with *local* nonprofits were particularly successful in fostering high levels of trust. These findings align with research about nonprofits' value added to voting and the democratic process. Nonprofit VOTE's [Nonprofit POWER](#) report shows nonprofits are significantly more successful engaging new and marginalized voters, thought to be due to trust built by regular interaction with prospective voters. Nonprofits and philanthropy must work quickly to leverage existing trust in local nonprofits to support healthy elections or risk losing recent gains in voter participation, particularly among communities nonprofits serve. This work also reinforces for policymakers nonprofits' critical role as trusted connectors between government and communities that enable government implementation and systemic change.

2

Restore Cycle of Trust and Engagement

The frequency of people's engagement with nonprofits as donors, volunteers, advocates, and constituents positively impacts their level of trust in the broader sector. Trust also is a prerequisite for many people to engage nonprofits, creating a self-reinforcing cycle that appears to be weakening. This report indicates the public wants solutions for complex societal issues, but increasingly shuns institutions. More than half believe giving directly to individuals and causes can make a bigger impact than working through a nonprofit organization. Viewing this finding alongside [other research](#) showing a decline in the number of donors and volunteers over the past two decades indicates it may be time for the sector to change course in order to restore trust, giving, and volunteerism. Now is the time to break from the status quo and try new strategies to reverse downward trends across these interdependent variables. This includes the need for policymakers to pass swiftly legislation that gives every American a tax incentive to give back to their community and supports the nation's volunteer force.



3

Uphold Public Expectations of Government Accountability

The nonprofit and philanthropic sector works closely with policymakers at state and federal levels to balance transparency and accountability expected by the public with flexibility needed to serve their communities. Respondents with high trust in both nonprofits and philanthropy say a key reason for their trust is the belief that government holds nonprofits accountable. Unfortunately, multiple reports state the Internal Revenue Service Exempt Organizations Division’s diminished budget and staff capacity is not equipped to meet “high-trusters” expectations that they guard against scandal and wrongdoing within the sector. From 2000-2013, the number of 501(c)(3) charitable organizations increased by more than 28 percent, while the number of full-time equivalent staff in the EO Division increased by less than 6 percent. Under investment in the EO Division resulted in errors made when reviewing nonprofit information and “work-around” solutions that do not serve the interests of nonprofits or public trust. How can nonprofits and philanthropy ensure the federal government’s capacity to hold nonprofits accountable is sufficient to maintain and increase trust across all demographics, particularly among populations still deciding whether to trust the sector, like Gen Z?

4

Better Understand Disaggregated Macro-Trends

Socio-economic variables, particularly education and income, are significant predictors of public trust in nonprofits and philanthropy, as well as broader institutions. The sector would benefit from additional qualitative and quantitative research to better understand the nature of this relationship and similar macro-trends to develop targeted strategies to improve public trust. Such future research must include analyses that disaggregate the data to understand how macro-trends may intersect to impact specific populations (i.e. women, Gen Z, rural residents, and Republicans). For example, women’s trust in nonprofits and philanthropy declined after COVID. Women in this survey are less likely than men to report excellent or good financial well-being in 2022. Department of Labor research reports women experienced [disproportionate challenges](#) returning to the workforce after the pandemic, citing workforce segregation and lack of affordable childcare as likely causes. Additional qualitative research or meta-analysis may help nonprofits better understand the extent financial well-being, underlying barriers driving finances, or other variables impact institutional trust.

5

Frequent Constituent Engagement May Breed Trust

While trust in the sector is steady or slightly declining, the good news is that those who are familiar with nonprofits and philanthropy are more likely to trust them. People with high trust in nonprofits report personal experience and strong ties to nonprofits. Prior waves of the survey show that even among those familiar with nonprofits, data supports the possibility that more frequent engagement yields even greater trust. The 2021 Trust Report found those who reported regularly receiving services from nonprofits had higher than average trust scores for the sector. One opportunity for the sector to build trust may lie in more frequent public engagement. This strategy aligns with a best practice for individual organizations to [engage constituents](#) to increase organizational effectiveness and equity. This practice may benefit not only the work of individual organizations, but strengthen trust in the sector by providing opportunities for more frequent engagement beyond service provision. Additional qualitative and quantitative research would help nonprofit leaders better understand the type of frequent engagement that builds trust and potentially measure a sector return on investment for individual organizations’ constituent engagement work.



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