<u>News story: Regulator publishes new</u> <u>research into factors the public</u> <u>associate with trustworthy charities</u>

Being true to their values and the ability to demonstrate efficiency and impact join transparency among the most important ingredients of trustworthiness in charities, according to new research.

The Charity Commission has published the latest in a series of authoritative, independent studies examining the factors that the public associate with a trustworthy charity.

The research, carried out by Populus, reveals that demonstrating high standards of conduct and behaviour (being 'true to their values') is as important to trustworthiness as making a positive difference to a charity's cause.

It identifies the key drivers of trust in charities as being:

- transparent about where money goes (8.8 of 10)
- true to their values (8.5)
- efficient in their use of resources (8.4)
- well-governed and well-managed (8.3)
- able to demonstrate making a positive difference (8.3)

The Charity Commission, the regulator of charities in England and Wales, says these findings underline that organisational ethos and values in charities matter to the public, and that rebuilding trust depends on behaviour change, not just on better communication.

The research finds that public trust in charities has plateaued since 2016, and remains low at 5.5 out of 10^* . The public now trust charities less than they trust the average person in the street.

The Commission says that while trust in other social institutions has also declined, its aspiration is for charities to be among the most trusted institutions in society.

The research also reveals that a person's trust is closely associated with his or her donating behaviour; 52% of those whose trust has increased say they donate to charities more as a consequence, while 41% of those whose trust has decreased say they donate to charities less as a consequence. Similarly, individuals who do trust charities are far more likely to have recently made repeat donations to a charity than those who do not (24% vs 11%). Those who do not trust charities are more likely to have never given to charities (9% vs 1%). Baroness Stowell, Chair of the Charity Commission, welcomed the findings and urged charities to respond to them:

Charitable endeavour is about benefiting society, adding value to our lives and communities — making the world a better place. This research shows that the public no longer give charities as institutions the benefit of the doubt in providing that value. What the public expect is not unreasonable: they want charities to be guided by their ethos and purpose in everything they do, and they want charities to use their money efficiently and responsibly. The public have seen evidence of charities failing to demonstrate these behaviours. So it is not surprising that trust has not recovered, and that the public are calling for greater transparency. This is proxy for a more profound issue: the public want evidence that charities are what they say they are.

But this research also contains good news for charities and those who care about trust in charities: it shows that the answer is not to impose more rules and procedures or to tick more boxes, it is about attitude, ethos and culture. If we together respond to these findings and ensure everything charities do is driven by their purpose we can reverse the decline in trust. And more important than that: charities will improve as organisations, and as a result make a bigger impact on the lives of their beneficiaries, and in their communities and for society as a whole.

Baroness Stowell said the Charity Commission itself was drawing conclusions from the Populus research:

We are currently reviewing the Commission's strategy, and these findings are significant in informing our approach. We have a common interest and purpose here, and as Chair of the Charity Commission, I want to work in constructive partnership with charities to help us together respond to the public's legitimate expectations and strengthen the vital role of charities into the future.

The research findings indicate the public place value in the role of the Charity Commission as regulator. The vast majority (83%) of the public consider the Commission's role either 'essential' or 'very important'. Most of the public (55%) think that charities are regulated effectively in England and Wales, though 33% do not. The research was conducted by Populus; 2,059 adults in England and Wales were surveyed from 22-25 February 2018.

The full report is available on gov.uk.

*While the overall score is given as 5.5 in this year's report, compared to 5.7 in 2016, the researchers are clear that overall trust and confidence in

charities remains at similar levels to 2016. The change in score results from a shift in research methodology. For more information, please see page 18 of the report.