Focus for today

- Why is trust important for charities?
- What are the drivers for trust?
- Issues around support for charities
- Overview of which sectors are supported
- Response to the use of fundraisers
- Next steps in building trust and confidence

Size of the charities sector

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total registered charities</td>
<td>27,400</td>
</tr>
<tr>
<td>Total asset base</td>
<td>$40 billion</td>
</tr>
<tr>
<td>Total gross income</td>
<td>$14.7 billion</td>
</tr>
<tr>
<td>Government Grants</td>
<td>$5 billion</td>
</tr>
<tr>
<td>Total expenditure</td>
<td>$14.95 billion</td>
</tr>
<tr>
<td>Donation tax credit</td>
<td>$196 million</td>
</tr>
<tr>
<td>Full-time paid staff</td>
<td>111,198</td>
</tr>
<tr>
<td>Volunteers</td>
<td>444,000</td>
</tr>
</tbody>
</table>

Tier structure - charities

Why is trust and confidence important?

As trust levels increase:
- So does the percentage of respondents donating
- So does the amount of money donated by people
- Overall a co-relation between participation and trust:
  As people know more their trust increases

2014 research: trust and confidence

- The fourth biennial survey of public trust was completed in 2014
- Integrity in data relates to the number of respondents who participated, in 2014 it was a bit over 2722 people.
- Standard ‘on-line’ quantitative exercise
- Focus is for survey to be conducted at arms length from Charities Services
**Overall – Trust over time**

**Drivers of trust**

The top drivers for supporting a charity were:
1. Make a positive difference
2. They protect the environment
3. Their fundraisers are ethical and honest
4. They help women
5. Ensure donations get to end cause

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**In an international context**

All jurisdictions showed:
- Public concerns around the:
  a. the efficient use of resources, particularly around how charities spend their money, and how much of funds donated 'gets to purpose';
  b. the methods charities used to raise their funds.
- The importance of transparency and accountability by charities to the general public’s trust to be maintained

**Improvements in Governance**

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**Why do people support a charity**

The top drivers for supporting a charity were:
1. Make a positive difference (70.6%)
2. Spend money wisely and effectively (64.8%)
3. Well managed (56.9%)
4. Ensure donations get to end cause (56.2%)
5. They are a registered charity (55.7%)

**Why people do not support a charity**

1. The way approached for a donations (46.3%)
2. Had not heard of them before (43.0%)
3. They work overseas (36.9%)
4. Their ethics and beliefs are different to mine (35.1%)
5. They don’t seem very efficient with their money (31.6%)
Impact of the regulator

1. In NZ,
   • Previous research shows knowledge of the regulator but not its powers and functions
   • In 2014 knowledge of the Charities Register is still low (45%)
2. Australia, trust in charities jumped after the role of the regulator explained
3. UK research shows awareness of the regulator increases trust

Sectors that are supported

Support through donations by type of charity, since 2008
• Health and medical largest, and has not really changed
• Animal care dropped till 2012, bounced up to 37%
• Education has been dropping steadily
• Social and community development dropped
• International aid dropped

Donating More (?)

Ways of Donating
• People are becoming more picky about the way they donate
• Donating in response to phone calls dropped by 50%
• Donating in response to postal appeals dropping average 6% per annum
• Ongoing direct debit was growing till 2012, but in 2014 dropped to below the 2008 level
• For all these methods, as trust increases, so does donations!

Donating Less - Reasons

Of the reasons people chose not to give:
1. The way the approach and request was made (46.3%)
2. Had not heard of the charity (43%)
3. Overseas focus, not NZ (36.9%)
4. Ethics and beliefs are not mine (35.1%)
8. They seem to have enough money (19.9%)

Effect of fundraisers

• 57% of respondents felt fundraisers put undue pressure on people to donate
• If people think the cause is sufficiently important, using fundraisers is not a major issue
• Appears that if a charity is fundraising to address a specific issue, it is best to do it themselves
Next steps

- Charities Services work plan to support and build trust and confidence in charities
  - Targeting peak bodies and umbrella entities
  - Charities Services looking to tell its own, and registered charities own stories better
  - Build understanding of regulatory role
  - New Reporting Standards