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**Community and Voluntary Sector
Research Forum**

Trust and Confidence in Charities in 2015:

24 March 2015

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

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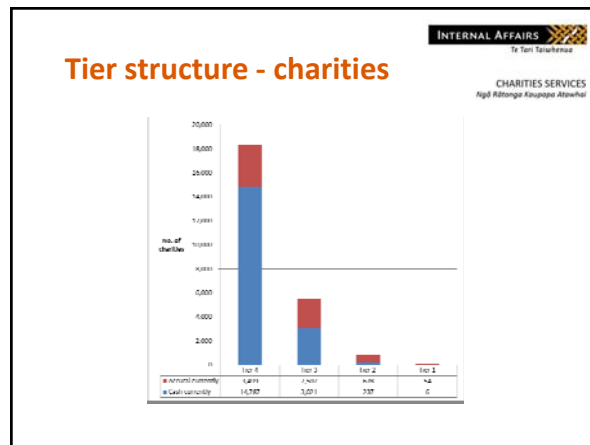
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Size of the charities sector

Total registered charities	27,400
Total asset base	\$40 billion
Total gross income	\$14.7 billion
Government Grants	\$5 billion
Total expenditure	\$14.95 billion
Donation tax credit	\$196 million
Full-time paid staff	111,198
Volunteers	444,000

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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

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Why is trust and confidence important?

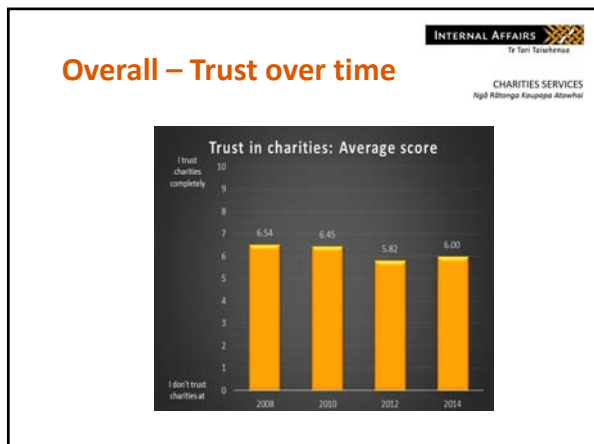
As trust levels increase:

- 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

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- ### 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

- ### 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



- ### 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%)

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Impact of the regulator

- 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%)
- Australia, trust in charities jumped after the role of the regulator explained
- UK research shows awareness of the regulator increases trust

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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

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Donating More (?)

Donations in the next twelve months

Response	Percentage
Not sure	33%
Donate more	27%
Donate less	23%
Don't know	17%

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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!

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Donating Less - Reasons

Of the reasons people chose not to give:

- The way the approach and request was made (46.3%)
- Had not heard of the charity (43%)
- Overseas focus, not NZ (36.9%)
- Ethics and beliefs are not mine (35.1%)
- They seem to have enough money (19.9%)

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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

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Next steps

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- 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

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Questions?



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