

Public trust and confidence in charities in Northern Ireland

Snapshot report 2: Drivers of trust and confidence



The Charity Commission for Northern Ireland

The Charity Commission for Northern Ireland is the regulator of charities in Northern Ireland, a non-departmental public body sponsored by the Department for Communities.

Our vision

To deliver in partnership with other key stakeholders in the charitable sector “a dynamic and well governed charities sector in which the public has confidence, underpinned by the Commission’s effective delivery of its regulatory role.”

Further information about our aims and activities is available on our website www.charitycommissionni.org.uk

Equality

The Charity Commission for Northern Ireland is committed to equality and diversity in all that we do.

Accessibility

If you have any accessibility requirements please contact us.

Contents

Section 1: Introduction	4
Section 2: Drivers of trust and confidence in charities	5
2.1 Management, transparency and reporting	
2.2 Fundraising	
2.3 Locality and size	
2.4 Familiarity with an organisation or with a cause	
2.5 Regulation	
Section 3: Increasing trust and confidence in charities	13
Charity registration and annual reporting	
Conclusion	15

Section 1: Introduction

In 2015-16, the Charity Commission for Northern Ireland (the Commission) contracted Ipsos MORI to conduct research on the public's views of the charitable sector in Northern Ireland. This is the first time the Commission has carried out research of this kind. In future years, we hope to use this research as a 'benchmark' against which to chart trends over time.

This document provides a snapshot of one element of the findings taken from the research. The full report, including in-depth analysis of the findings and details of the methodology and questions asked, is available on the Commission's website.

This snapshot is focused on the factors that drive trust and confidence in charities in Northern Ireland. While the Commission does not have previous research against which to benchmark the overall trust and confidence level, we know that over one quarter of people (26%) indicated that their level of trust had declined in the last two years. Similar research carried out in England and Wales and in Scotland have both revealed a decline in levels of trust and confidence in charities, a small decline in Scotland with a significant decline in England and Wales.¹ While trust remains strong in charities in Northern Ireland it is important that this is maintained during what is and has been a challenging time for some charities.

We hope that charities across Northern Ireland can use the findings to gain further insight into what drives trust and confidence, informing and assisting them in shaping their future planning.

We are keen to hear from anyone with an interest in this research to help identify what information would be most useful, and in what context, for analysis in the future.

We would like to thank those members of the public who gave their time to participate.

¹ www.gov.uk/government/publications/public-trust-and-confidence-in-charities-2016
www.oscr.org.uk/hot-topics/surveys-show-strong-support-for-charities-in-scotland

Section 2: Drivers of trust and confidence in charities

Key findings

- **Trust and confidence in charities in Northern Ireland is driven by charities:**
 - **using the donations/funds they raise properly**
 - **having a positive impact on the causes they represent**
 - **doing what they say they will**
 - **being well managed and transparent**
 - **demonstrating how they benefit the public.**
- **Few people, however, know where they can go to find out information about how charities are run.**

Members of the public rated how important a number of factors are when making a decision on whether to trust charities in Northern Ireland. These factors are that charities:

- have a positive impact on the cause they represent
- do what they say that they will
- are well managed
- ensure funds/donations are used properly
- are transparent about the way they raise funds and/or collect donations
- are transparent about the way they spend their funds
- are open and transparent about their activities.

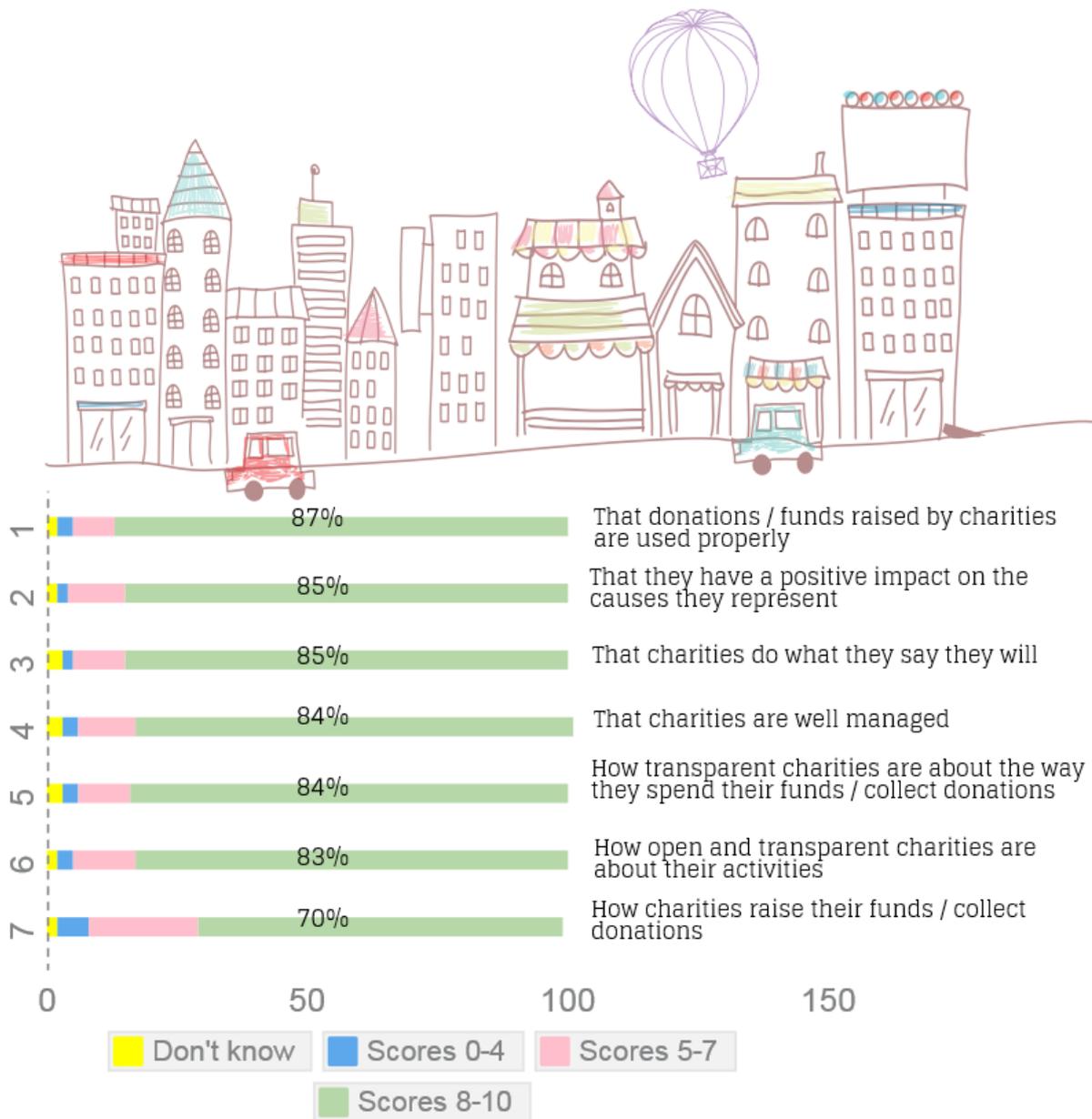
Overall, individuals place a high level of importance on each of these factors when deciding to trust a charity. In particular, almost nine in ten (87%) of people indicate it is important to them that donations/funds raised by charities are used properly. Around the same proportion (85%) claim it is important the charities have a positive impact on the causes they represent and that charities will do what they say they will. In addition, 84% of participants claim it is important to them that charities are well managed and are transparent about the way they spend their funds/collect donations.

Slightly fewer (83%) feel it is important how open and transparent charities are about their activities. Despite a number of negative headlines in the media in recent years about fundraising methods of charities, how charities raise their funds is the lowest rated factor in terms of importance when making a decision on whether or not to trust a charity (70%).

In addition, familiarity, a connection with the local community, organisation size and effective regulation are all factors that impact on the level of trust and

confidence people place in charities. These factors are considered in more detail below and in conjunction with findings from the focus group discussions.

Factors that are important when deciding whether to trust a charity



Question: On a scale of 0-10, where 0 is not important at all and 10 is very important, how important or unimportant are each of these factors to you when making a decision on whether to trust charities in Northern Ireland?

2.1 Management, transparency and reporting

84% of people say that knowing charities are well managed is very important when making a decision on whether to trust charities in Northern Ireland (scores 8-10 out of ten).

84% of people say that charities being transparent about the way they spend funds/collect donations is very important when making a decision on whether to trust charities in Northern Ireland (scores 8-10 out of ten).

83% of people say that charities being open and transparent about their activities is very important when making a decision on whether to trust charities in Northern Ireland (scores 8-10 out of ten).

Participants across the focus groups frequently mentioned the mismanagement of charities as playing an important role in their level of trust and confidence. Specifically a few participants talked about perceptions of nepotism in charities in Northern Ireland, and they feel that nepotism is unfair. In these cases, participants commented on how charities that exhibit this behaviour may not be employing the best person for the job.

Group participant, age 18-34, Belfast

“You hear lots of stories of nepotism among charities in Northern Ireland; it’s not very fair is it?”

Participants also voiced concerns regarding the management of funds or donations within charities. For this reason participants highlighted the importance of charities being transparent with regards to their finances.

“They need to give regular feedback to tell people what they’ve been doing with the money, be more transparent.”

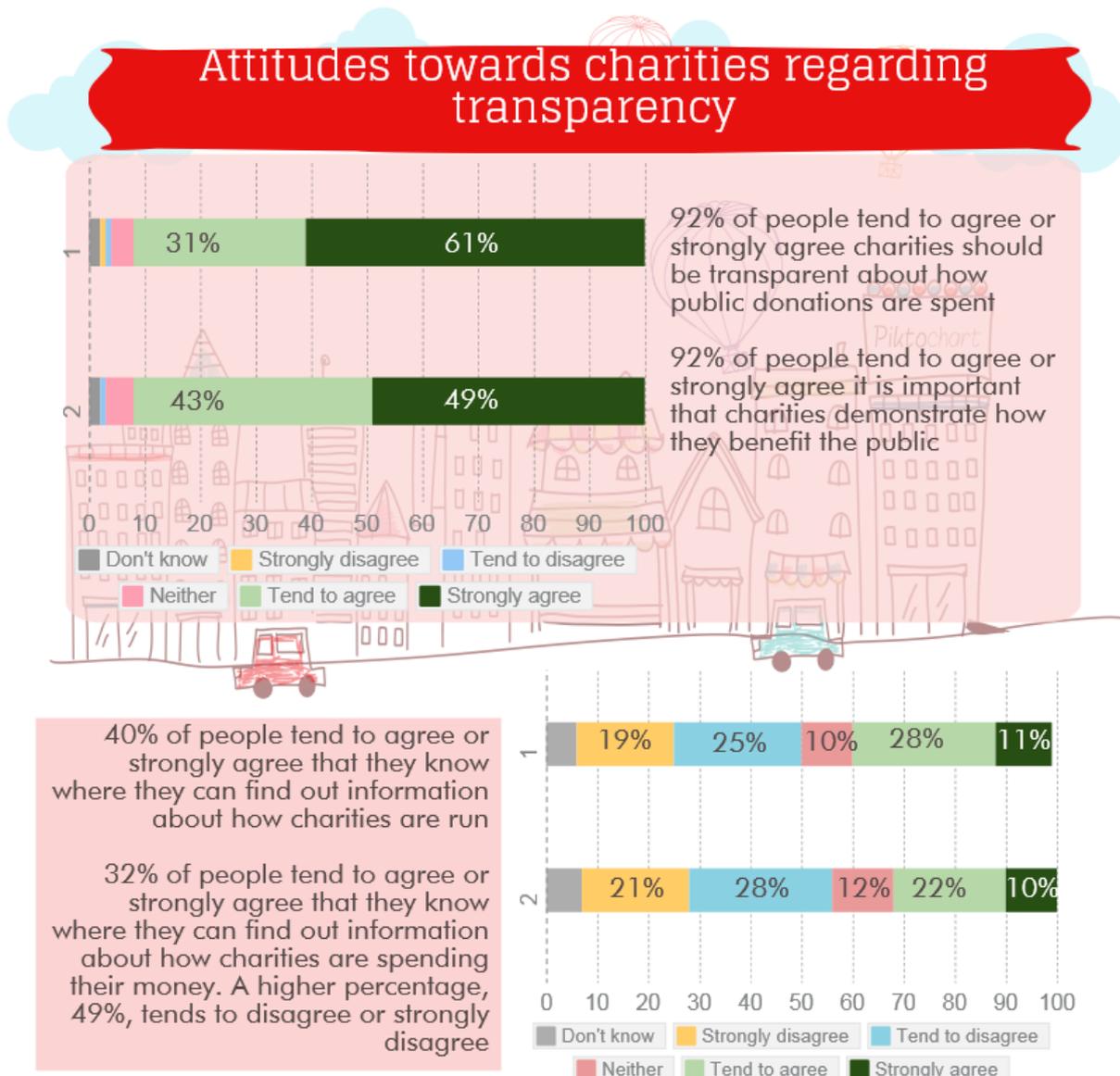
Group participant, age 18-34, Belfast

At focus groups, the most significant factors regarding what is important to the public in terms of deciding whether they trust charities emerged as being:

1. that donations and funds raised by charities are used properly
2. that a charity is transparent about how it raises and manages this money, and in how it reports on this.

This was reinforced in the survey of members of the public. 92% of people agree that charities should be transparent about how public donations are spent, with the same proportion feeling it is important that charities demonstrate how they benefit the public.

Despite this, fewer than two in five (40%) people know where they can find out information about how charities are run and fewer than one third (32%) know where to find out information about how charities are spending their money.



Participants at the focus groups were clear that they would prefer that charities were open and honest about where donations are going, explaining what percentages are going to the end cause and what percentages to administration. Participants indicated they would be much more likely to trust a charity if they were told this information.

Group participant, age 35-54, Belfast

"I wouldn't care if only 80p of the £1 was going to charity and 20p to administration or whatever, as long as they tell me exactly what they are doing with it I don't mind."

When asked, almost all focus group participants indicated that they would like charities to publish information about their organisation. There was general consensus that people would not actively seek out this information, so it would need to be disseminated through various channels, such as social media, as well as on the charity's website.

2.2 Fundraising

70% of people rate how charities raise their funds/collect donations as very important when making a decision on whether to trust charities in Northern Ireland (scores 8-10 out of ten).

During the focus groups, there were discussions relating to aggressive fundraising techniques and chugging² used by charities to raise money. There is a general perception that older people are targeted by particular charities and are viewed as easy targets for fundraising.

Some individuals mentioned personal experience of this, either themselves or through an elderly relative, and highlighted the guilt they feel when they cannot afford to donate. Meanwhile, others mentioned on-street fundraisers collecting direct debit details, which they considered to be inappropriate.

Group participant, age 35-54, Newry

"My mother is in her 80s and she is tortured by charities, she can't say no."

A number of participants also recalled a story that had been reported in England where an individual had taken her own life and this was linked, in the media, to pressure from charities to make donations. While the family of the individual later stated that charities had nothing to do with their family member's death, the link had already been made.

"My husband was blind temporarily and I was constantly phoned by the RNIB, they crucified me on that phone."

Group participant, age 35-54, Newry

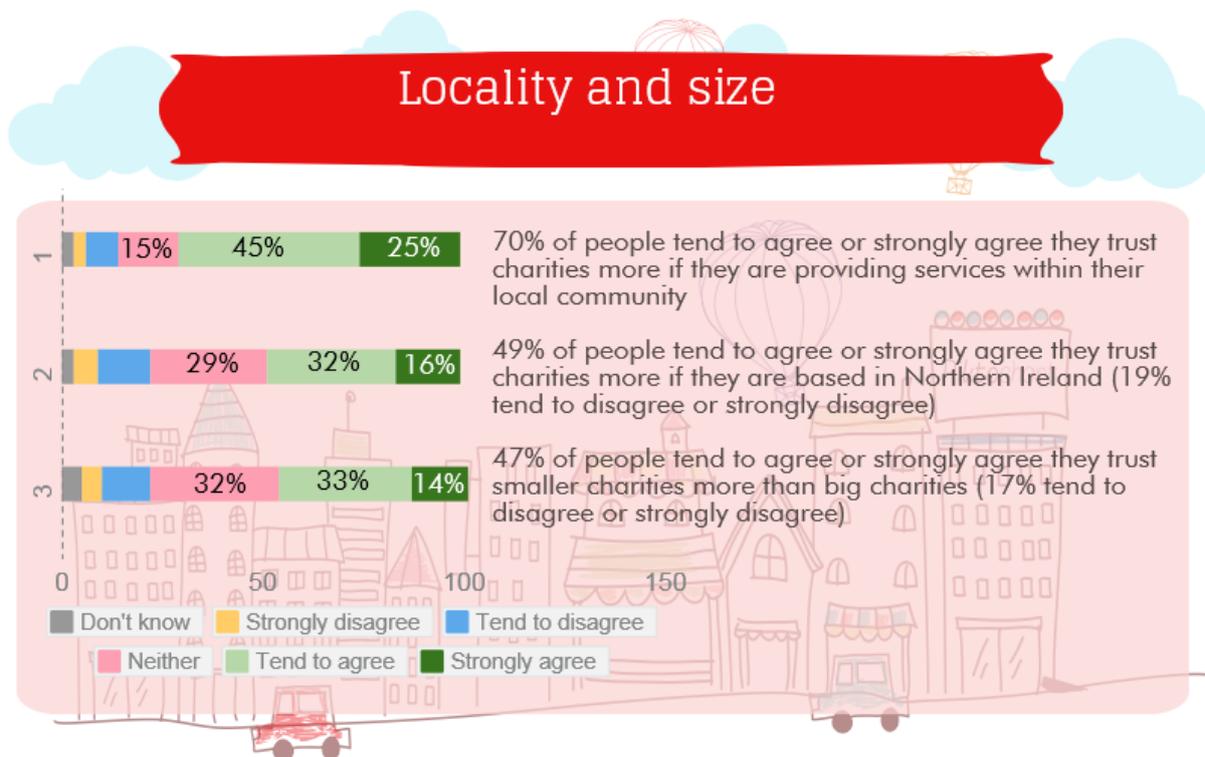
² *Approaching people in the street seeking subscriptions or donations to a particular charity*

2.3 Locality and size

70% of people trust charities more if they are providing services in their local community.

47% of people trust smaller charities more than larger charities.

Locality plays a significant role in individuals' tendencies to trust a charity. The majority (70%) of participants agree they trust charities more if they are providing services in their local community, while 49% would trust charities more if they are based in Northern Ireland. Again, just under half (47%) indicate they would trust smaller charities more than larger charities, and this proportion is higher amongst older people.



**Note that 16% and 32% in row two combine to give an overall figure of 49% due to rounding*

These findings were echoed in focus group discussions where it became clear that participants are more inclined to trust a charity based in Northern Ireland, and working in the local area. In addition, smaller charities are perceived to be more trustworthy than larger international charities. It is believed that within small, local charities there is less chance that money will go astray.

Group participant, age 55+, Derry/Londonderry

"Depending where the aid is going you may question the legitimacy, as some countries are very corrupt. It would make me more inclined to stay away from these kinds of charities."

Overall, across the discussion groups, smaller, local charities tended to be perceived to garner more trust than bigger, international charities. However many participants acknowledged that while in bigger charities there is more opportunity for donations to go astray, the large amounts of money they raise for charity can only be positive. In addition, some commented that smaller charities are unlikely to be able to raise the same amounts of money and donations as the larger ones.

Group participant, age 18-34, Belfast

"Large charities like Children in Need raise millions for charity so it is so effective, and they make it so easy to donate, you just have to send a text message."

There was a belief amongst some focus group participants that there could be less opportunity for fraud and mismanagement of funds within smaller charities and, for this reason, many would be inclined to trust smaller charities more than bigger ones.

"I feel it's the bigger charities that want bank details more than smaller local charities, smaller charities are less intimidating."

Group participant, age 55+, Derry/Londonderry

2.4 Familiarity with an organisation or with a cause

86% of people are more likely to trust a charity if they believe in what it is trying to do.

85% of people would be more likely to trust a charity if they have personal experience of it.

72% of people are more likely to trust a charity if they have heard of it.

Familiarity with a cause is important to members of the public in influencing their levels of trust. 86% of people are more likely to trust a charity if they believe in what it is trying to do. A similar proportion (85%) would be more likely to trust a charity if they have personal experience of it. 72% said that if they have heard of a charity, they are more likely to trust it.

Group participant, age 18-34, Belfast

"My friends and family members have had diabetes, so that would influence me."

Similarly, participants during the qualitative exercise claimed they would trust a charity more if they believe in what it is trying to do and in the cause that it represents, especially if the cause is relevant and personal to them. In addition, if they have personal experience of a charity they would be inclined to trust it more.

Focus group participants indicated that if they have had personal experience of a charity or have heard of a charity then they may trust it more. Many participants attributed this to the perception that well-known charities are more reputable, in that, if you have heard of them before they are less likely to be 'fraudsters' or fake charities.

Throughout each of the group discussions, it became apparent that participants would only donate to charities that they recognise. In addition, participants indicated they would be more likely to trust the charities they recognise.

"If you've never heard of the charity I wouldn't donate to them. This is probably down to trust."

Group participant, age 35-54, Newry

2.5 Regulation

Knowledge that charities are regulated tends to have a positive impact on levels of trust and confidence in them. The majority of participants (94%) agree that proper regulation of charities is important.

Participants in the research who had not previously heard of the Commission were told of its existence and asked if this had an impact on their level of trust and confidence in charities in Northern Ireland. Upon learning that the Commission exists to regulate charities in Northern Ireland, over half (58%) claim this had a positive impact on their trust and confidence in the charitable sector.

Throughout the group discussions few mentioned regulation however, when the topic was raised, almost all felt it is important charities are regulated. Most participants assumed the charity sector in Northern Ireland is regulated.

Section 3: Increasing trust and confidence in charities

To increase trust and confidence in charities participants in the discussion groups suggested charities should:

- provide greater openness and transparency about what they do and how they are managed
- feedback this information to the general public
- display information on how they are regulated, similar to banks
- review their fundraising activities
- review salaries and bonuses given to senior employees. Although, some participants recognised the need to pay large salaries to attract the 'best talent', many still believe that if you decide to work for a charity, you are doing it for the cause, rather than the salary.

Group participant, age 35-54, Belfast

"Make it crystal where the money is going and how much is going to where it should be."

Some practical things that charities could do to maintain and increase levels of trust and confidence include:

- promoting their own regulation by the Commission, for example, ensuring that they display their Northern Ireland charity number prominently and provide links to their entry on the Northern Ireland register of charities
- demonstrating local presence
- being transparent and demonstrating that they have effective processes and procedures for running the charity, regardless of its size
- demonstrating the benefit they provide to the public, for example, in their trustees' annual report which is published on the Northern Ireland register of charities.

"All charities need to release information so if you support them then you can see what they are doing."

Group participant, age 55+, Derry/Londonderry

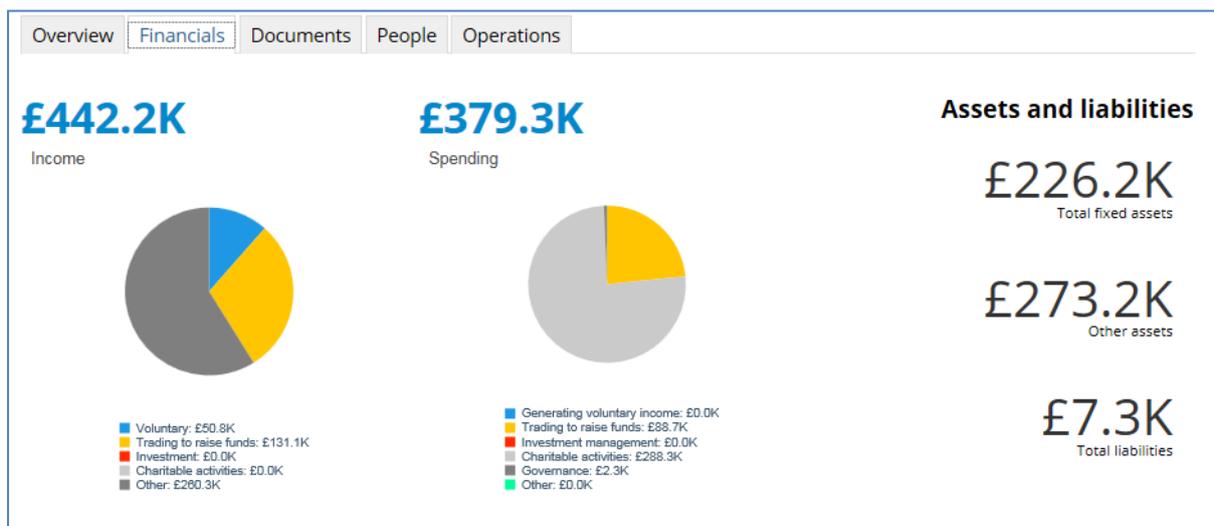
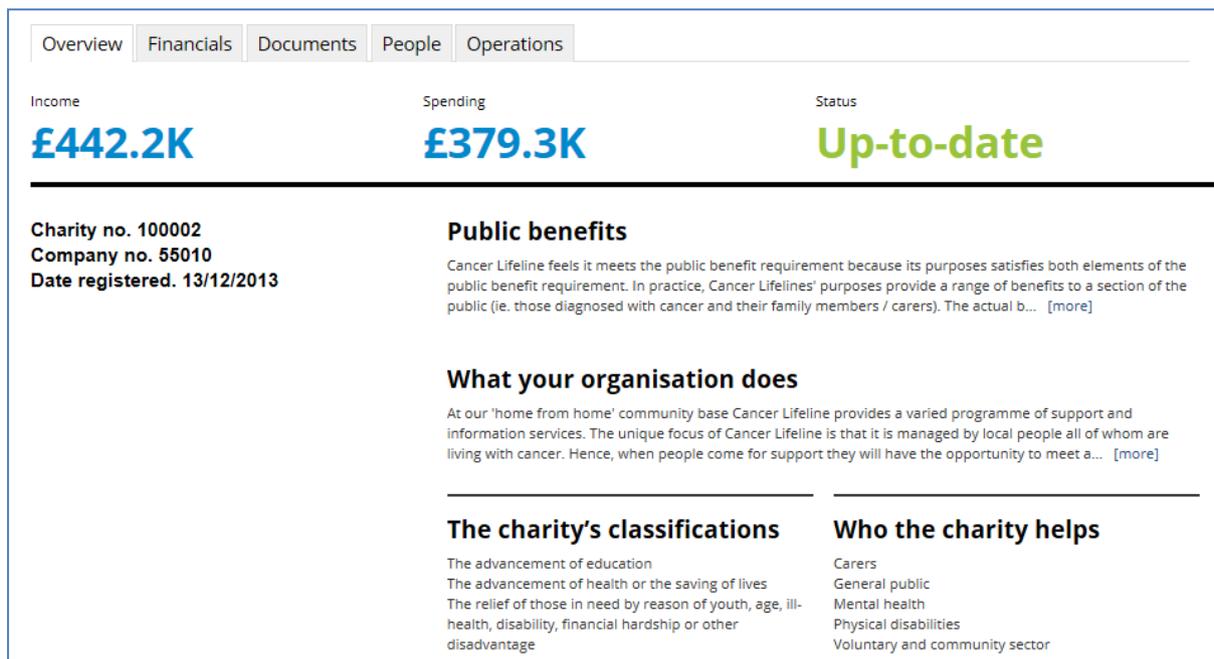
3.1 Charity registration and annual reporting

The findings of this research highlight that compulsory charity registration is a key tool for charities to maintain and increase levels of trust and confidence.

Looking at the key information that members of the public seek when deciding whether to trust charities, much of this key information is published on a publicly available register, and members of the public as well as other stakeholders can have confidence that those charities that are listed are regulated by the Charity Commission for Northern Ireland.

Information is kept up to date each year through annual reporting to the Commission including the submission of accounts and a trustees' annual report setting out how the charity has worked to provide public benefit during the year.

Some examples of the information available online are shown below:



The Commission also has a task to increase public awareness of the register of charities as a source of information to assist them in their decision making.

Conclusion

These are challenging times for charities and we hope that this research, carried out independently of the Commission, will be a valuable tool for charities across Northern Ireland. They may, for example, wish to use the findings to assist them in shaping their future planning with a view to enhancing public trust and confidence in them as a charity.

For an in-depth analysis of the research findings, and details of the methodology and questions asked, please refer to the full research report, prepared by Ipsos MORI, that is available in the *Research* section of the Commission's website.

Please do not hesitate to contact the Commission to discuss this report and share your views on what information could usefully be analysed and presented in the future.

Further information on our activities is available from:

Charity Commission for Northern Ireland

257 Lough Road

Lurgan

Craigavon

BT66 6NQ

www.charitycommissionni.org.uk

Email: admin@charitycommissionni.org.uk

Tel: 028 3832 0220

Fax: 028 3832 5943

Textphone: 028 3834 7639

 Follow us on Twitter @CharityCommNI



This document is available in large print or other formats on request