
Donor Trust Special Report: Public Eye on Charity Accountability



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Public Eye on Charity Accountability

In the United States, third-party charity monitoring began in the 1920s, partly as a result of interest in relief organization efforts following World War I. The Better Business Bureau®’s national charity reporting program and the National Charities Information Bureau (which later merged) initiated these activities to help donors make informed giving decisions. During the past 30 years, other charity monitoring approaches emerged; and potential supporters (such as individuals, foundations, and corporations) adjusted their views on what makes a charity trustworthy, competent, and accountable. Some charity accountability themes are timeless, while others change with technology, culture, and experience.

According to a survey conducted by Grey Matter and Harmon Research,¹ 21% of donors always or usually use charity watchdogs to help evaluate nonprofits, with 15% being very familiar with a charity monitoring organization.² Similarly, according to our own Donor Trust Surveys conducted between December 2017 and 2022, between 30% and 39% of survey participants (depending of the year) said third-party evaluations by an independent organization are one of their top-three signals of trust for a charity.³

Everyday giving is frequently driven by emotion and connection. Many of the individuals who are familiar with charity monitors, value third-party reports, and intend to use impartial information in the giving process may not ultimately take the extra step of verifying a charity. Even so, third-party reports and seals can serve as reassurance in the giving process, and themes included in the reports can signal what to look for in a trustworthy charity.⁴

Objective third-party accountability reports should be based on in-depth expertise and not be driven entirely by donor preferences. For instance, we know the public can be quite misinformed about the charitable sector,⁵ can have unfair expectations, or have conflicting giving preferences. Nevertheless, given that individual donors make up the bulk of charitable contributions, the importance of engaging new supporters, public opinions, and preferences should not be ignored.

In this Special Donor Trust Report, we ask participants to consider their positions and expectations related to a selection of charity accountability themes, including (1) oversight, (2) charity finances, (3) impact, (4) solicitation materials and cause-related marketing, (5) artificial intelligence, and (6) data security. Our goal is to get a pulse on accountability priorities and attitudes as viewed by the general public.

¹ Grey Matter. “Charity Watchdogs: Ignore Them at Your Own Risk,” October 2020

² Parks, Dan. “21% of Donors Use Charity Watchdog Services, Study Finds.” *The Chronicle of Philanthropy*, October 8, 2020.

³ BBB’s Give.org has conducted a Donor Trust Survey annually since December 2017. The survey includes a set of core questions intended to measure the health of public trust in the charitable sector and to identify shifts across time.

Each year, the survey also includes a set of questions on special topics of interest. The first edition, *Give.org Donor Trust Report: An In-Depth Look into the State of Public Trust in the Charitable Sector*, was released in 2018.

⁴ BBB charity reports aim to strengthen charities and, ultimately, trust in the solicitation marketplace. In BBB Wise Giving Alliance’s experience, the focus of our charity reports can also influence charity practices, as many organizations recognize our guidelines as providing an important reference point for ethical practices.

⁵ Indiana University Lilly Family School of Philanthropy. *What Americans Think About Philanthropy and Nonprofits*, April 2023.

BBB®'s Give.org (also known as BBB Wise Giving Alliance or BBB WGA) commissioned an electronic survey of more than 2,100 adults across the United States and more than 1,100 adults in Canada. The following are our key takeaways from the U.S. survey.

1. Oversight

- Only 20.9% of respondents think that it is easy to choose between charities raising funds for similar causes. 1 out of 3 respondents (34.0%) think it is difficult to choose between charities raising funds for similar causes.
- When asked to consider the importance of assessing 7 different accountability elements, survey participants said they would most value: independent review of how the charity spends its money (75.9%); whether the charity's appeals are truthful, accurate, and not misleading (73.4%); and whether the charity adequately protects donor information (60.7%).
- The ultimate authority over each charity rests with its board of directors. When presented with a list of practices that can strengthen board oversight over a charity's operation and staff, and asked to select the 3 most important practices, participants most frequently chose establishing procedures to protect against financial mismanagement (57.3%), avoiding transactions with board or staff-affiliated businesses that result in a conflict of interest (41.7%), and having no more than 10% of members on the board compensated (41.5%).

2. Finances

- **When comparing financial criteria, participants report they would be most confident to give when the charity accurately reports all program, administrative, and fundraising expenses (54.6%), when the charity spends the majority of total expenses on program service activities (53.5%), and when the charity has a budget plan for how money will be spent (45.7%).**
 - Accurate expense reporting and spending the majority of expenses on program activities were most important across all generations. Both criteria were relatively more important for younger generations: (1) if the charity has reserves for future use, and (2) if the charity spends no more than 35 cents to raise a dollar of donations. For example, 34.8% of Gen Zers chose spending no more than 35 cents to raise a dollar as a top signal of financial confidence, as compared to 22.5% of Boomers.
- To carry out their work, charities need to have reasonable operating and fundraising expenses. Participants were asked whether there is a minimum portion of every dollar spent by the charity that should be directed to carrying out programs before they would consider contributing to a charity. **More than half (52.0%) said their contribution is dependent on a program expense threshold.** 32.8% said they can make an informed decision as long as the charity is transparent, and 6.0% said the portion spent on programs is not a consideration in their giving.
 - **The most frequently chosen program expense ratio was 80% and the average ratio among all respondents was 68.7%.**
 - Older generations are more likely to look for a minimum program-expense threshold before considering a contribution. 2 out of 3 Matures (66.4%) say the program expense ratio is highly

important for their giving (29.8%) or one of several factors taken into consideration (36.5%).

- Among those who look for a minimum program expense threshold, older generations are most likely to call for 71% to 90% of a charity's spending to go toward programs. For example, 68.1% of Matures, as compared to 23.4% of Gen Zers, call for 71% to 90% of a charity's expenses to be programs.
- Participants from higher income households are more likely to say there is a minimum portion of every dollar spent by the charity that must be directed to programs before they would consider contributing to a charity. For example, 65.9% of participants with household income of \$200,000 or more say the program expense ratio is highly important for their giving (33.3%) or one of several factors taken into consideration (32.5%).
- Only 54.2% of participants report knowing what is meant by charity "overhead." When asked to consider possible definitions for the term, less than half of those who claim to know the meaning of "overhead" (44.6%) selected the correct definition. 1 in 3 (34.4%) erroneously think overhead refers to all salaries and office expenses.
- Among those who report knowing the meaning of overhead, younger generations are more divided about the term's definition. For example, among Gen Zers, only 29.0% chose "the portion of expenses used for administrative and fundraising expenses." The misconception that overhead refers to all salary and office expenses is most prevalent among Matures. For example, 43.1% of Matures say overhead refers to all salary and office expenses.
- When a charity has high overhead expenses, respondents are most likely to conclude that the charity is managing the funds poorly (45.0%). The association between high overhead expenses and poor fund management is more prevalent among older generations. For example, 58% of Matures equate high overhead with poor fund management.
- Charities usually seek to maintain some funds in reserve for future use. When asked to consider different opinions about charity reserves, 49.8% of participants said they "understand charities need to hold some reserves in case of unexpected events but want the charity to avoid accumulating funds that could be used in current programs." 23.1% said they "trust the charity to determine how much it needs in reserves," and 14.7% said they "like to see charities hold significant reserves for long-term programs and to protect the organization in case of unexpected events."

“When comparing financial criteria, participant report they would be most confident to give when the charity accurately reports all expenses...”

- When asked to consider whether a level of reserves would discourage them from donating, **more than half of participants (51.7%) would be discouraged from giving once a charity is holding more than 5 years' worth in reserves.**
 - Across generations, close to half of participants would be discouraged from giving once a charity is holding 5 years' worth of reserves. Millennials are most likely to say they don't mind charities holding any amounts in reserves (28.2%).
 - Across household income levels, more than half of participants would be discouraged from giving once a charity is holding 5 years' worth of reserves. Participants with household income of \$200,000 or more are most likely to say they don't mind charities having any amounts in reserves (28.9%).



3. Impact

- **2 out of 3 participants (66.9%) claim to know what a charity means by “impact.”** The remaining respondents said they do not know (13.6%) or are not sure (19.5%) about what charity impact means.
- **When asked to consider possible definitions for the term “charity impact,” survey respondents were split about how to best define the term.** Even among those who report knowing the meaning of “impact,” 29.6% chose “the overall change or outcome brought by the charity’s programs in accordance with its stated mission,” 19.5% chose “organizations reaching defined goals, and 17.8% chose “achievement numbers.” Other definitions were similarly popular, with 16.7% selecting “how efficient the organization was in its spending,” 13.7% choosing “the quality of the organization’s programs,” and 2.3% saying they are not sure.
- **Younger generations were more likely to claim to know the meaning of charity impact.** For example, 75.7% of Millennials said they knew the meaning of impact, as compared to 53.9% of Matures. **However, among those who report knowing the meaning of “impact,” younger participants were most divided about how to best describe the term.** For example, among Millennials who report knowing the meaning of “impact,” 22.9% chose “the overall change or outcome brought by the charity’s programs in accordance with its stated mission.” A similar portion of Millennials, 20.4%, chose “how efficient the organization was in its spending.”
- **Wealthier participants were more likely to claim to know the meaning of charity impact.** For example, 77.3% of respondents with a household income above \$200,000 said they knew the meaning of impact, as compared to 64.4% of participants with a household income below \$70,000. **At the same time, wealthier participants who report knowing the meaning of “impact” were most divided about how to**

“Respondents indicated that both immediate and long-term results are important, but more respondents said long-term results are highly important (46.0%) than said the same for immediate results (23.9%).”



best describe the term. For example, among participants with household income above \$200K who report knowing the meaning of “impact,” 23.23% chose “how efficient the organization was in its spending,” 23.23% selected “achievement numbers,” and only 20.20% selected “the overall change or outcome brought by the charity’s programs in accordance with its stated mission.”

- **When asked to consider whether impact should be assessed on a case-by-case basis or compared across charities, participants were split.** 2 out of 5 (39.7%) said “Charity impact should be assessed on a case-by-case basis. Comparing impact metrics across charities fails to account for difference in context”; while 36.8% said “charity impact should be compared across charities. Comparing impact metrics across charities will lead to better results.” The remaining 23.5% said they were not sure (16.3%) or thought neither was appropriate (7.2%).
- We asked potential donors to rate the importance of immediate and long-term results. **Respondents indicated that both immediate and long-term results are important, but more respondents said long-term results are highly important (46.0%) than said the same for immediate results (23.9%).**
 - The relatively high importance attributed to long-term results as compared to immediate results held across generations, but the difference was most marked among older generations. For example, 47.1% of Matures assigned high importance to long-term results, while only 13.4% said they assign high importance to immediate results.
 - The relatively high importance attributed to long-term results as compared to immediate results also held across household income levels but was most marked among people from lower income households. **Almost half (48.1%) of participants under household incomes of \$70K assign high importance to long-term results, as compared to only 1 in 4 (24.9%) assigning high importance to immediate results.**
- We asked potential donors to rate the importance of program volume and program quality. Respondents reported that both volume and quality are important, but **more respondents said program quality is highly important (46.7%) than said the same about volume (27.9%).**
 - **The relatively high importance attributed to program quality as compared to volume held across generations, but the difference was most significant among older generations.** For example, while 57.7% of Matures consider program quality to be highly important, only 27.9% consider volume to be highly important.
 - The relatively high importance attributed to program quality over volume held across household income levels. High-quality programs were most important among participants with household income \$70K or below, with 48.9% reporting program quality as highly important, as compared to only 29.4% who said program volume is highly important.





4. Solicitation Materials and Cause-Related Marketing

- Most participants (60.1%) agree that charities should ensure accuracy in their solicitation appeals and be prepared to substantiate any statements. Younger participants are less concerned about appeal accuracy, with 1 in 3 Gen Zers (32.4%) stating that, as long as the charity’s main points are clear, they are not too concerned about accuracy in the details.
- **1 in 4 participants (25.0%) said charity solicitation appeals on social media “very clearly” describe who the charity is and what it does.**
 - Younger generations are more likely to find charity solicitations appeals on social media to be very clear or somewhat clear. For example, 81% of Millennials say charity social media appeals are “very clear” (37.8%) or “somewhat clear” (43.3%), as compared to 46.2% of Matures who said charity social media appeals are “very clear” (14.4%) or “somewhat clear” (31.7%).
- 27.2% of participants said they would be more likely to purchase a product if they come across the statement: “the purchase of this product will benefit XYZ charity.”
 - Younger participants report being more likely to be swayed by a cause marketing promotion, with 39.9% of Millennials, as compared to 9.6% of Matures, saying cause-related promotions make them more likely to purchase a product.
- **When presented with an ambiguous cause-promotion language, “Your purchase of this product helps XYZ charity,” only 35.3% assume the donation associated with their purchase is “very little.”**
 - **When cause promotion language is ambiguous, younger participants are most likely to assume the charitable contribution associated with their purchase will be high.** For example, when presented with the statements “Your purchase of this product helps XYZ charity” and asked to estimate how much of the purchase price would benefit the charity, 54.8% of Matures said “very little,” as compared to only 28.3% of Millennials. Likewise, 18.1% of Millennials said “a lot” of the purchase price would go to the charity, as compared to only 3.8% among Matures.
- When presented with ambiguous cause promotion language, “Your purchase of this product helps XYZ charity,” 1 in 4 participants (26.2%) reports being bothered by the lack of clarity in the appeal. 1 in 3 (32.9%) reports not knowing how much of the purchase would benefit the charity but being happy to potentially support a cause.

“When cause promotion language is ambiguous, younger participants are most likely to assume the charitable contribution associated with their purchase will be high.”



- Younger generations are least likely to find issue with ambiguity in cause promotion language. Only 18.3% of Millennials are bothered by ambiguity in a cause-related marketing promotion, as compared to 45.2% of Matures. Correspondingly, more than 1 in 3 Millennials (33.6%) reacted to ambiguous language by concluding the promotion is beneficial to the charity, as compared to only 1.9% of Matures.

5. Artificial Intelligence



When asked to imagine a charity using artificial intelligence (AI) in its information and solicitation materials, most participants (51.2%) describe their reaction as hesitant (34.5%) or negative (16.8%), but there is also a significant portion with a positive (21.0%) or very positive (17.2%) reaction:

- Millennials are most likely to have a positive (25.3%) or very positive (32.4%) reaction to the use of AI in charity solicitation appeals. By comparison, 17.3% of Matures have positive (13.5%) or very positive (3.8%) reactions to the use of AI in charity solicitation appeals.

When asked to imagine charity appeals including AI-generated images, the majority (54.5%) of participants say they would be discouraged from giving if they knew the appeal was not verified for accuracy by a staff member.

Participants with a household income of \$200,000 or more are most likely (70.3%) to be discouraged from giving based on a charity solicitation appeal including an AI-generated image.

When asked to imagine charity appeals including AI-generated images representing a disaster zone or children served by the organization, the majority of participants (52.7% and 54.5%, respectively) say they would be discouraged from giving by the use of AI-generated images.

“Participants with a household income of \$200,000 or more are most likely (70.3%) to be discouraged from giving based on a charity solicitation appeal including an AI-generated image.”





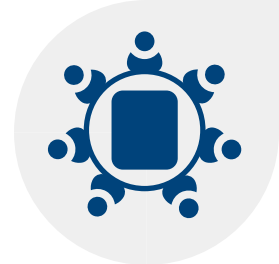
6. Data Security

• **When asked to imagine that a charity they personally support appears in the news for being hacked and having data stolen, 22.5% say they would no longer donate, and another 51.7% say they would hold off on donating until they are satisfied that the issue is resolved.**

- Across generations, more than 1 in 5 people (between 21.0% for Millennials and 24.1% for Gen Zers) say they would no longer donate to the charity upon learning that the charity had been hacked and data had been stolen.
- Among participants who would no longer give or would withhold donations until they feel satisfied that the issue is resolved, the following actions could inspire confidence to give again: the charity sending a message informing donors of new data security improvements (27.8%), the charity updating its privacy policy online describing improved security measures (26.8%), and verification from a third party that data is secure (26.0%).
- After a data breach, Gen Zers and Millennials are most likely to give again once they receive a message informing them of new data security improvements (31.6% and 33.2%) or based on updates to the privacy policy showing improved security measures (31.3% and 33.3%). Matures, Boomers, and Gen Zers are most likely to respond to verification from a third party that data is secure (29.4%, 30.4%, and 29.9% respectively).

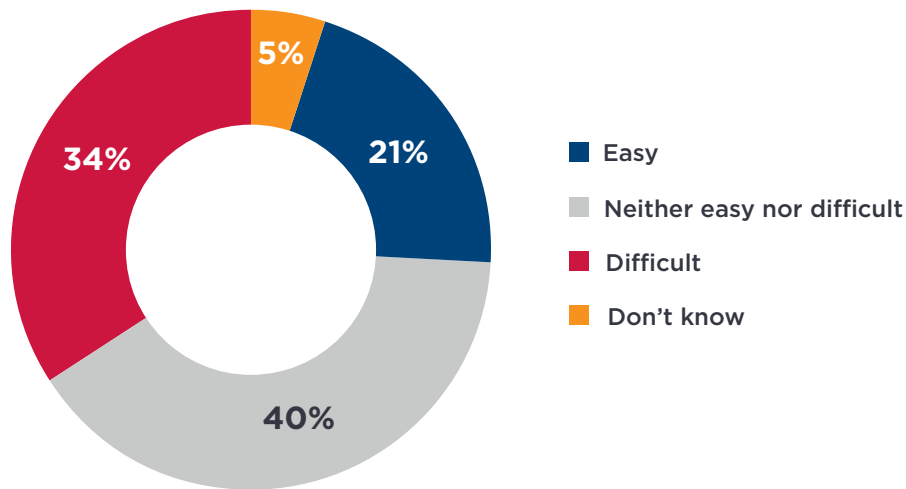
In addition to producing evaluative reports on charities, BBB's Give.org tracks donor beliefs, feelings, and behavioral intentions related to charity trust and generosity through annual donor surveys. These surveys are the foundation of Give.org Donor Trust Reports. While we recognize that survey responses reflect donor perception and intent rather than action, we hope self-reported opinions offer useful insights for the sector.



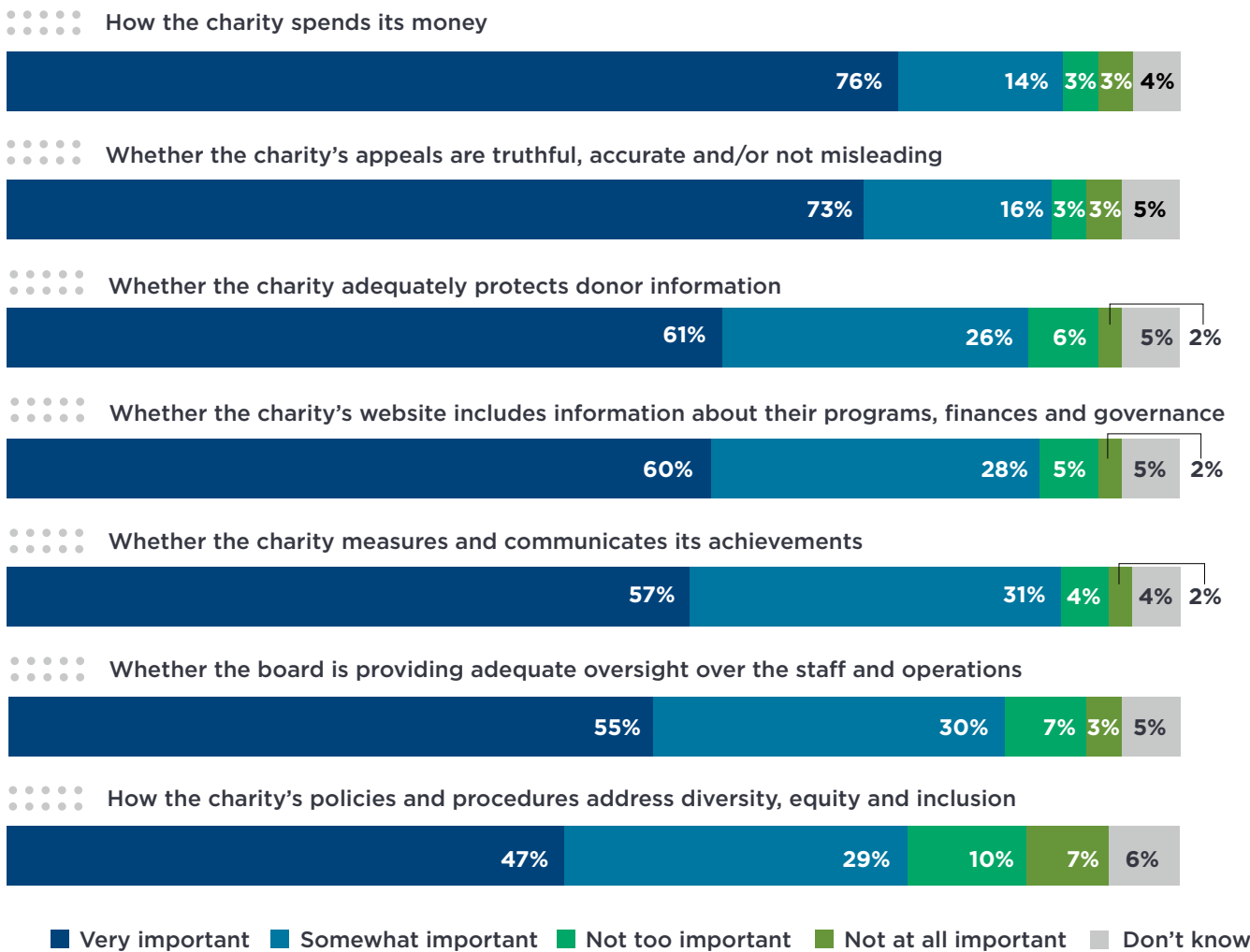


1. Oversight

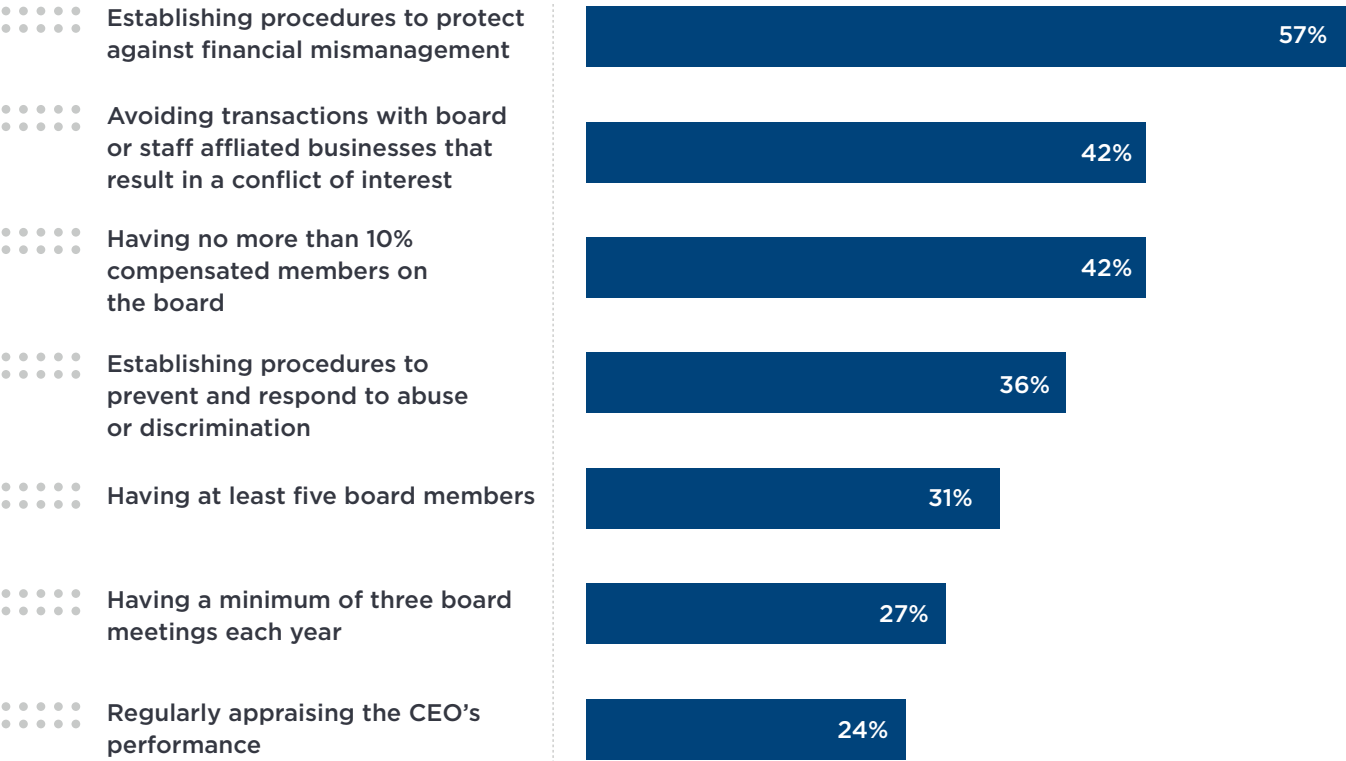
1 out of 3 participants think it is difficult to choose between charities raising funds for similar causes.



When asked to consider the importance of assessing 7 different accountability elements, participants said they would most value independent review of the following:



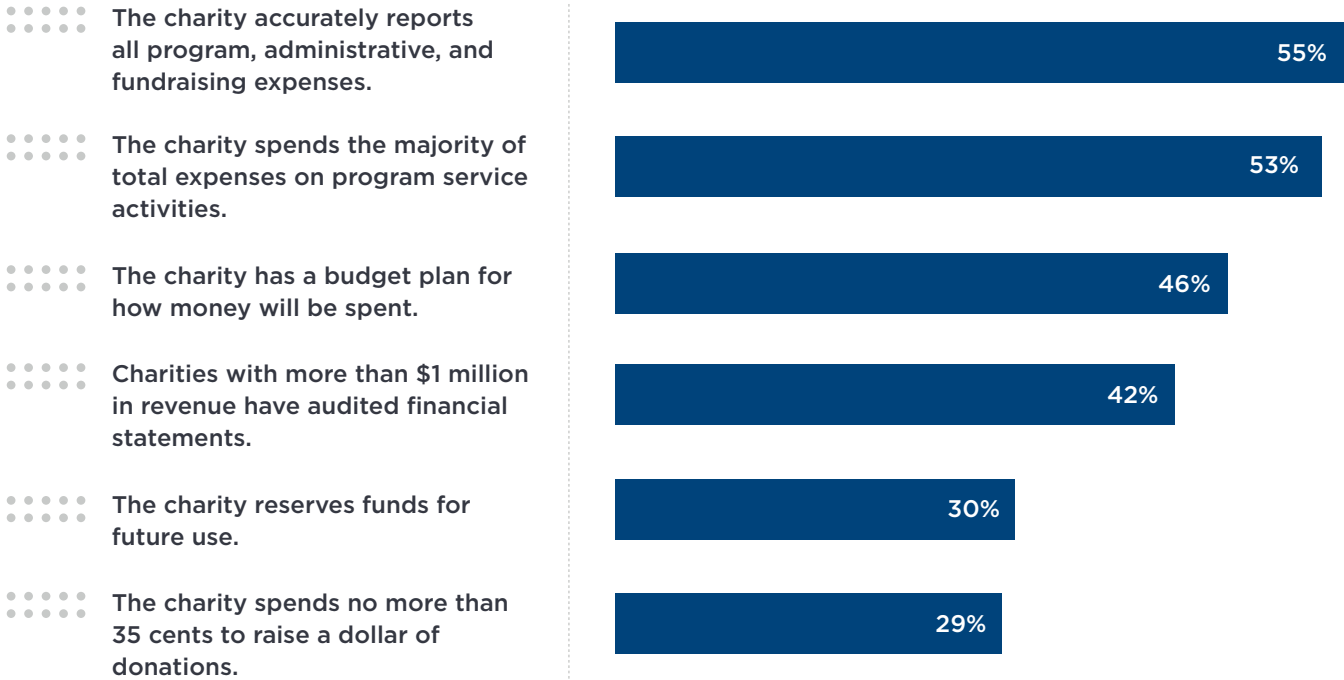
The ultimate authority over each charity rests with its board of directors. When presented with a list of practices that can strengthen board oversight over a charity’s operation and staff, and asked to select the 3 most important practices, participants most frequently chose:



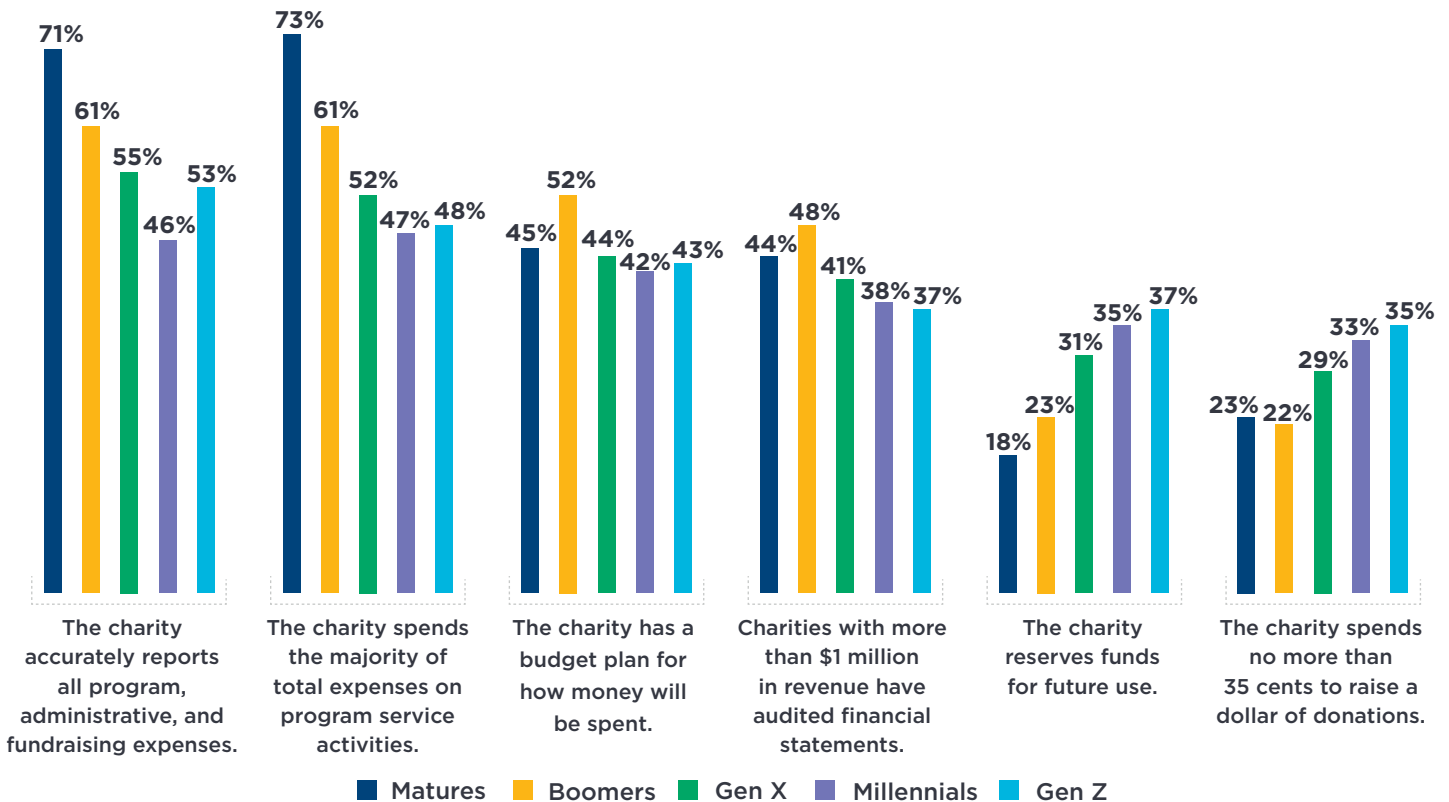


2. Finances

When comparing financial criteria, participants report they would be most confident to give when:



Accurate expense reporting and majority spending on program activities were the most important financial criteria across all generations.

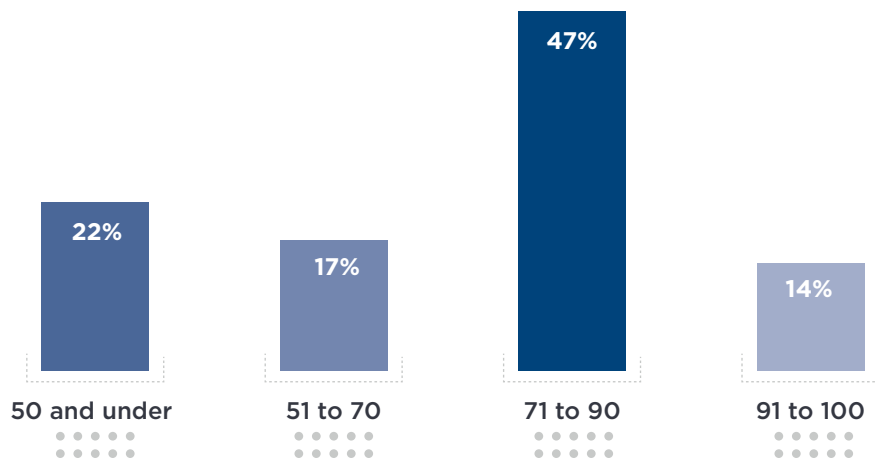


To carry out their work, charities need to have reasonable operating and fundraising expenses. Participants were asked whether there is a minimum portion of every dollar spent by the charity that should be directed to carrying out its programs before they would consider contributing to a charity. More than half said their contribution is dependent on a program expense threshold.

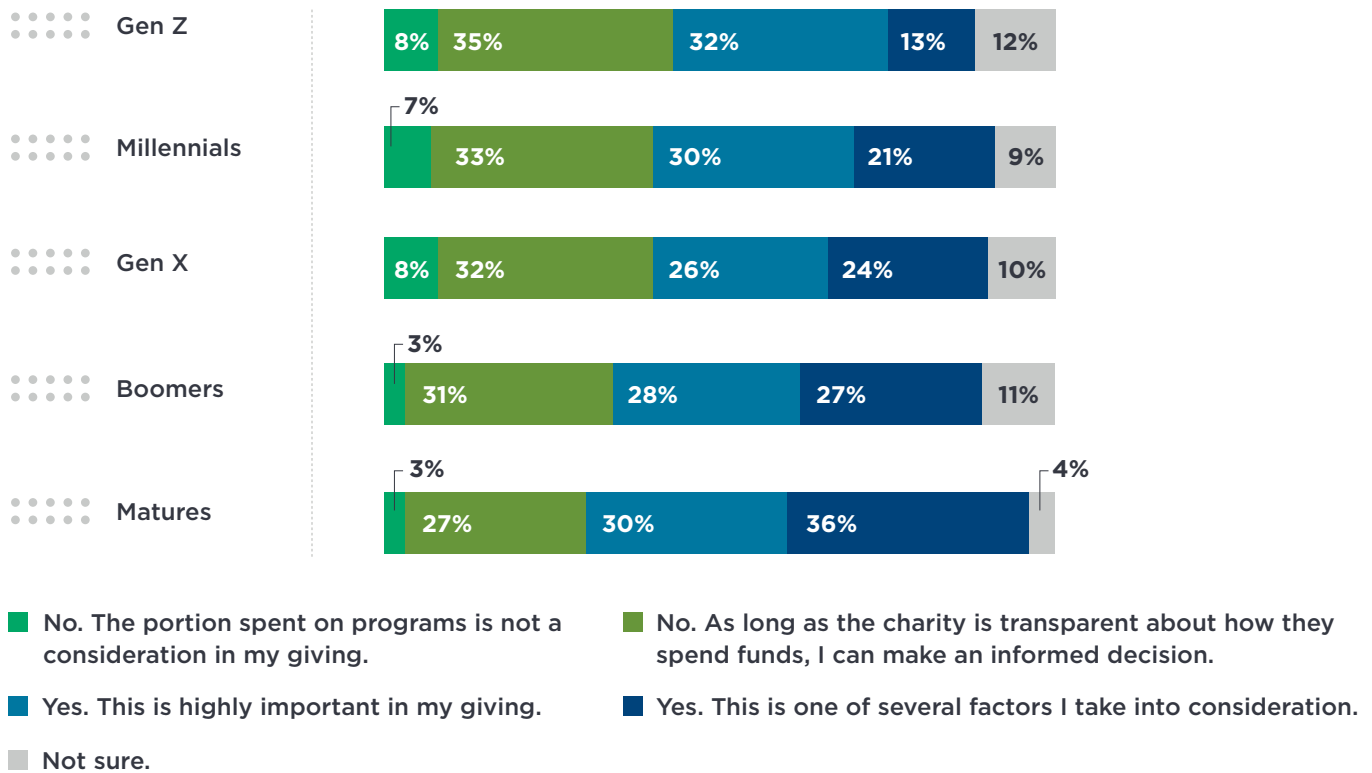


- No. The portion spent on programs is not a consideration in my giving.
- No. As long as the charity is transparent about how they spend funds, I can make an informed decision.
- Yes. This is highly important in my giving.
- Yes. This is one of several factors I take into consideration.
- Not sure.

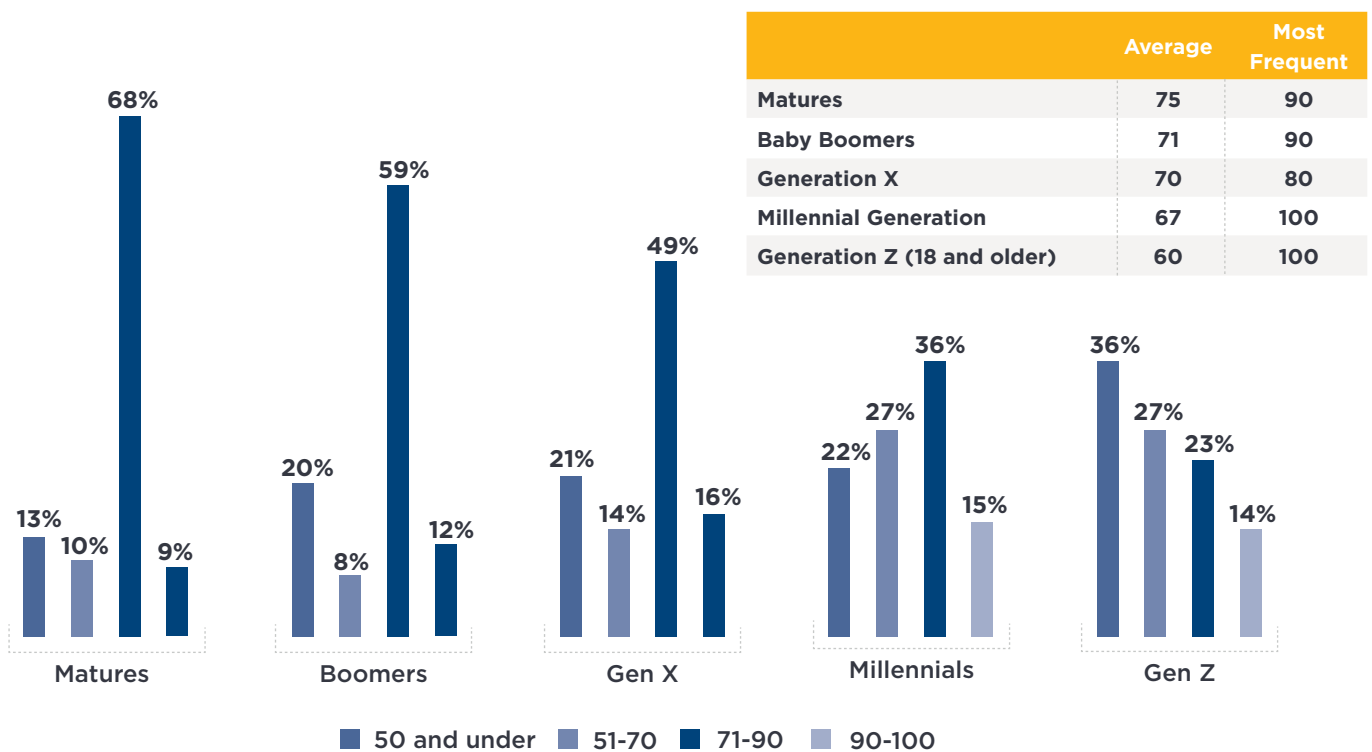
Among those who look for a minimum program expense threshold before considering a donation, very few call for 91% or more of a charity’s spending to go toward programs. The most frequently chosen program expense ratio was 80% and the average was 69%.



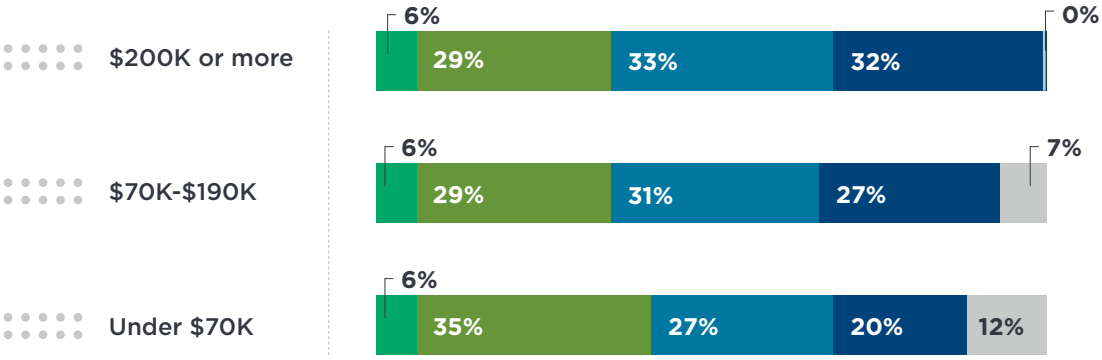
Older generations are more likely to say there is a minimum portion of every dollar spent by the charity that must be directed to programs before they would consider contributing to a charity.



Among those who look for a minimum program expense threshold before considering a donation, older generations are most likely to call for 71% to 90% of a charity’s spending to go toward programs.

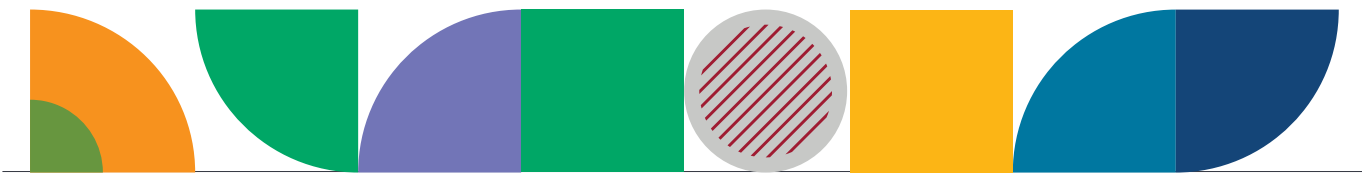
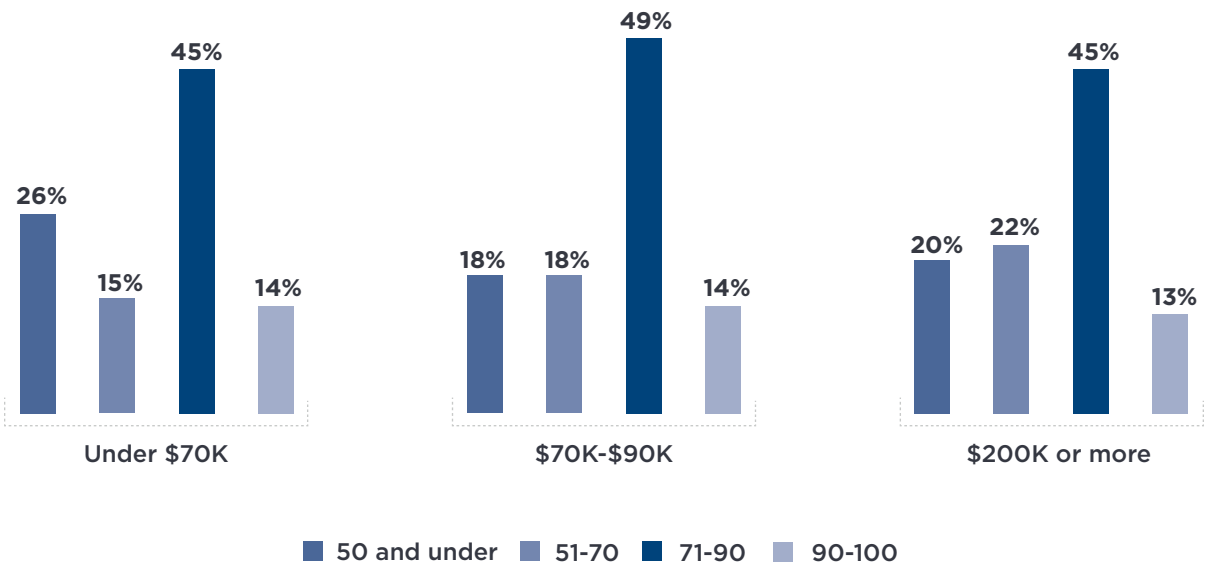


Participants from higher income households are more likely to say there is a minimum portion of every dollar spent by the charity that must be directed to programs before they would consider contributing to a charity.

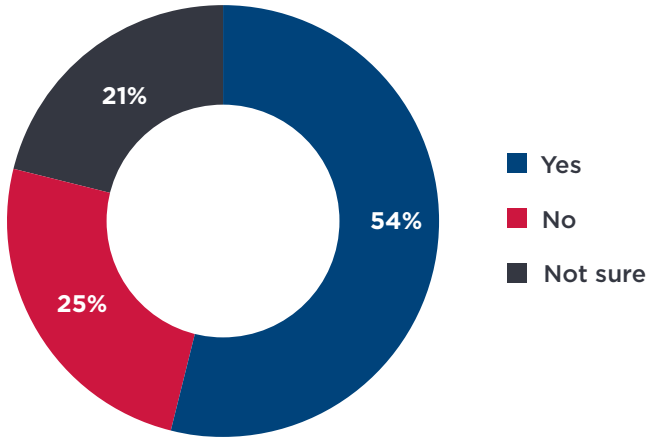


- No. The portion spent on programs is not a consideration in my giving.
- No. As long as the charity is transparent about how they spend funds, I can make an informed decision.
- Yes. This is highly important in my giving.
- Yes. This is one of several factors I take into consideration.
- Not sure.

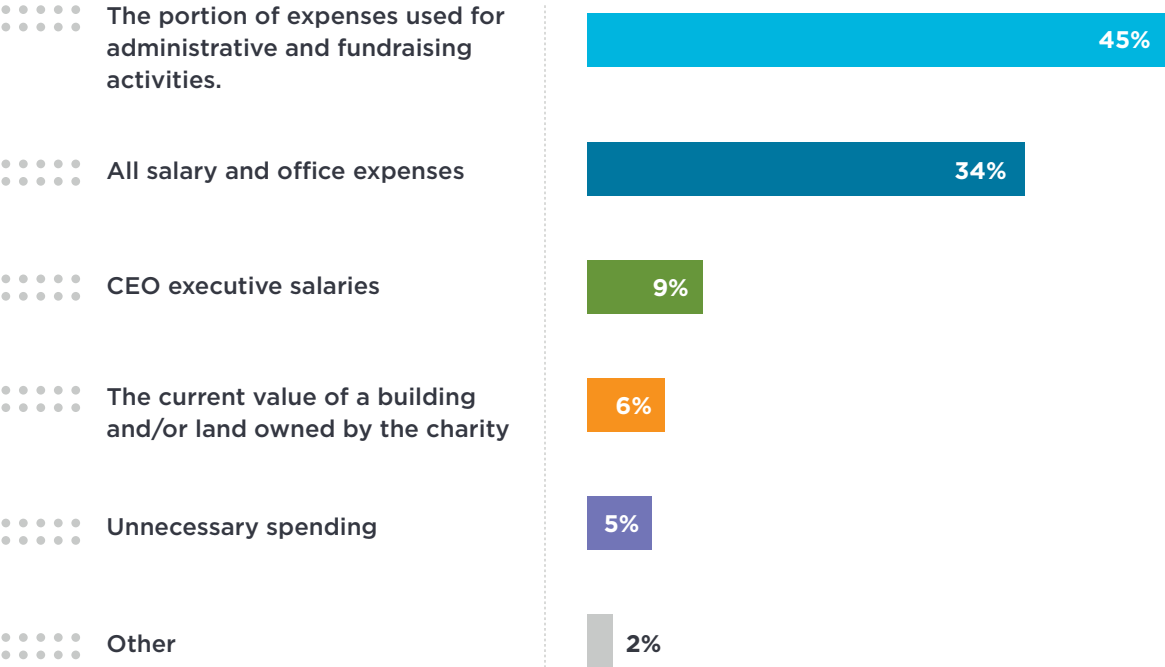
Across household income levels, approximately 60% of participants look for a minimum of 71% of charity expenses to go toward programs.



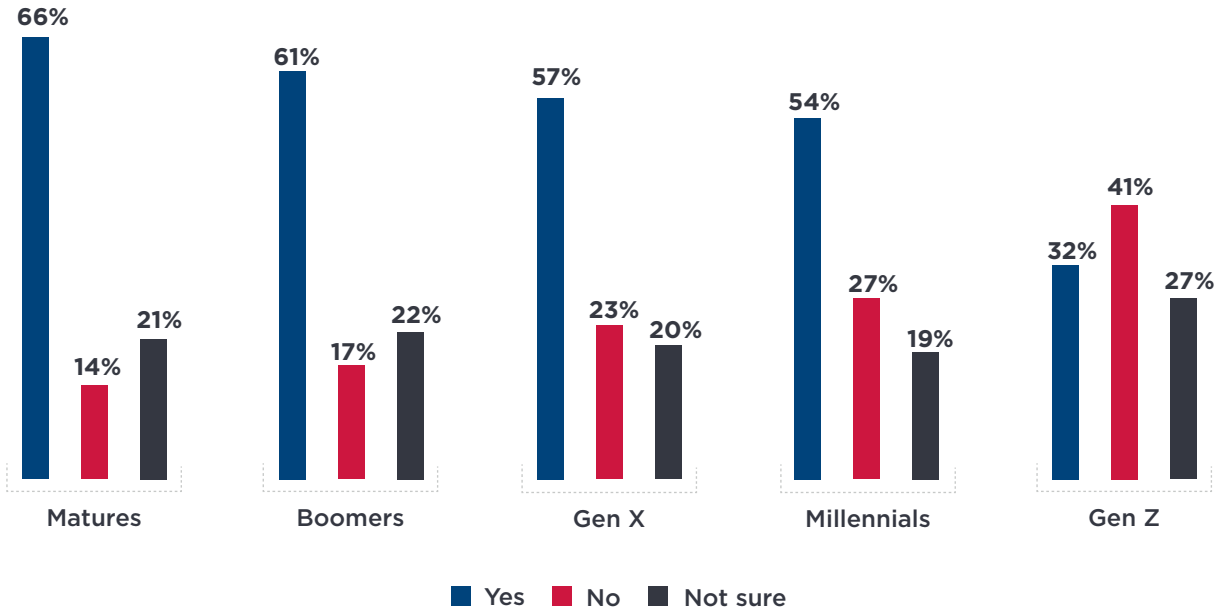
Only 54% of participants report knowing what is meant by charity “overhead.”



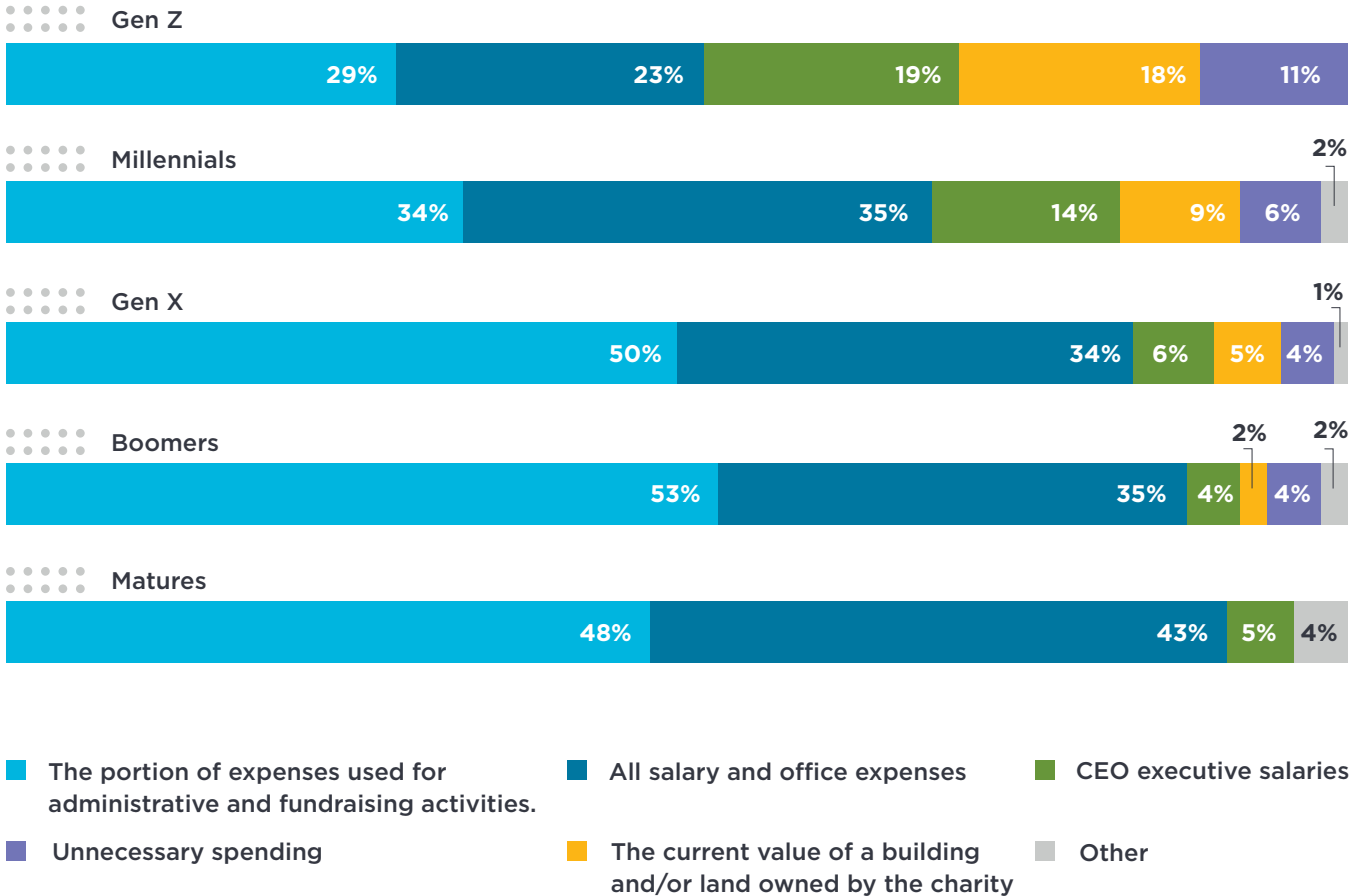
When asked to consider possible definitions for the term “overhead,” participants chose as follows:



2 out of 3 Matures, as compared to 1 out of 3 Gen Zers, report knowing the meaning of overhead:



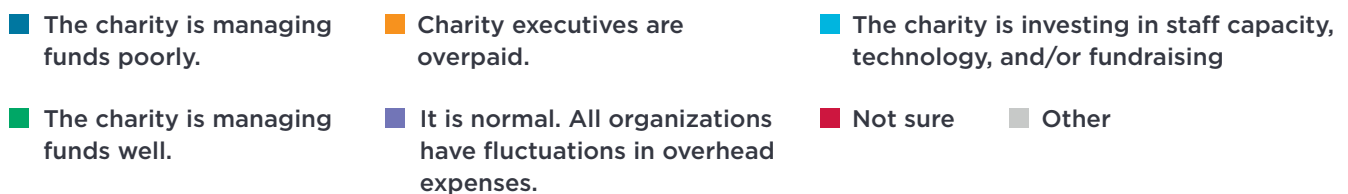
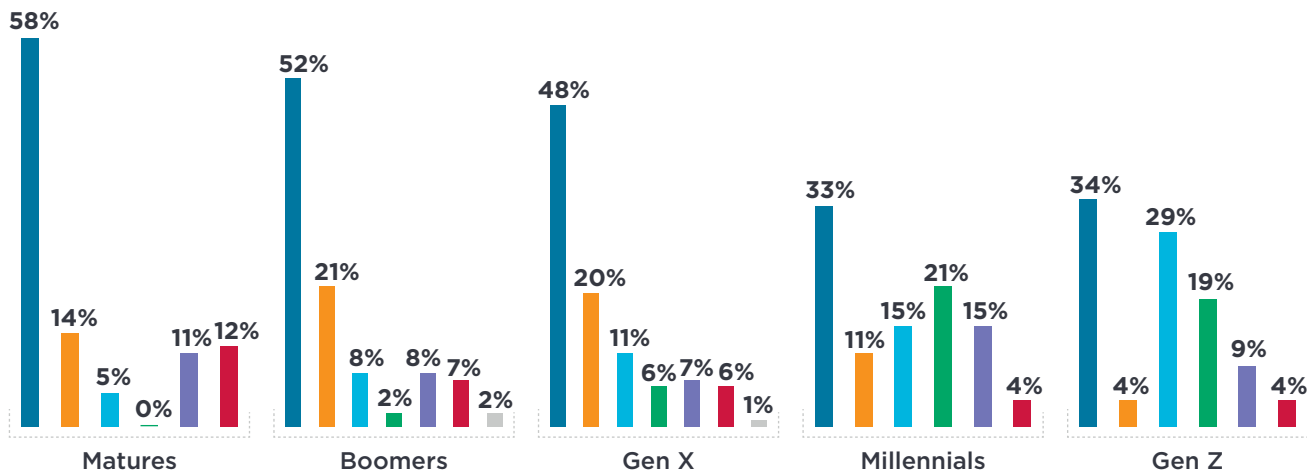
Among those who report knowing the meaning of overhead, younger generations are more divided about the term’s definition.



When a charity has high overhead expenses, respondents are most likely to conclude that the charity is managing the funds poorly:



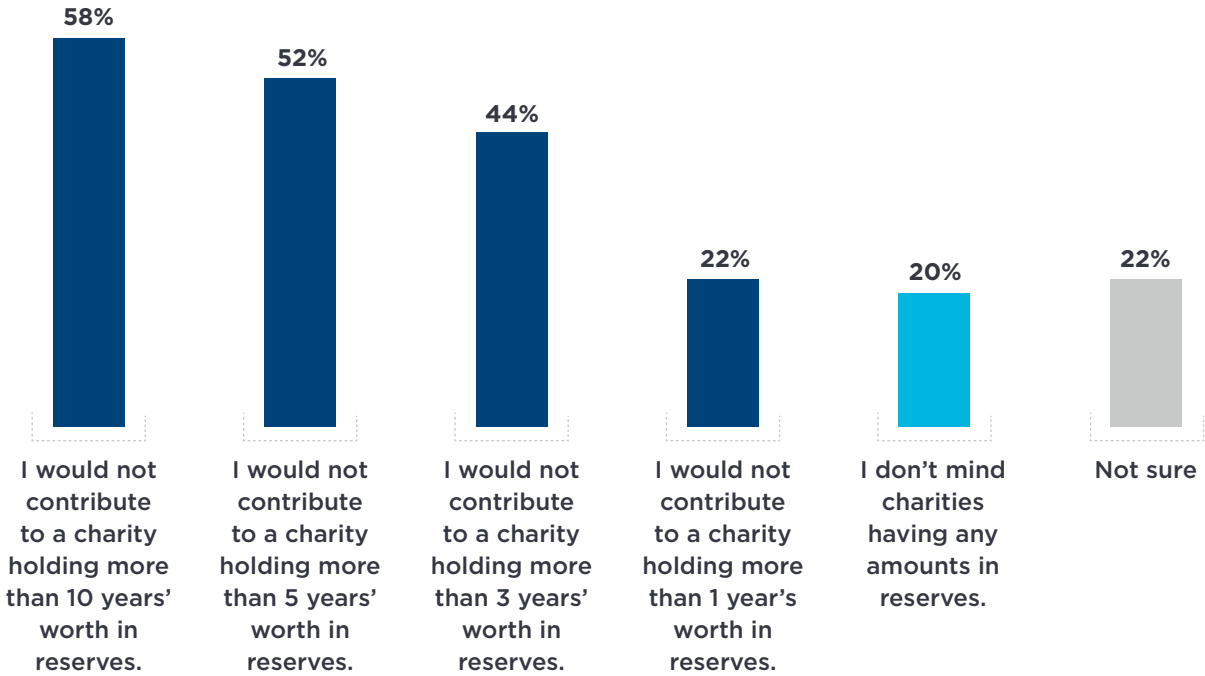
The association between high overhead expenses and poor fund management is more prevalent among older generations:



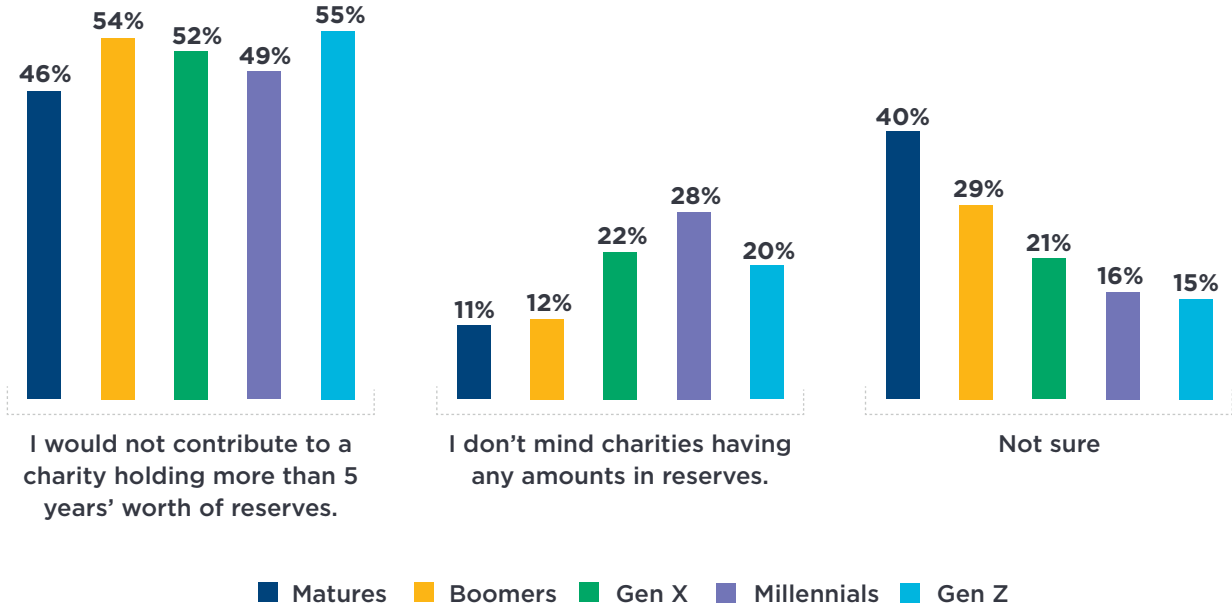
Charities can maintain money in reserve for future use. When asked to select among four different opinions about charity reserves, participants said:



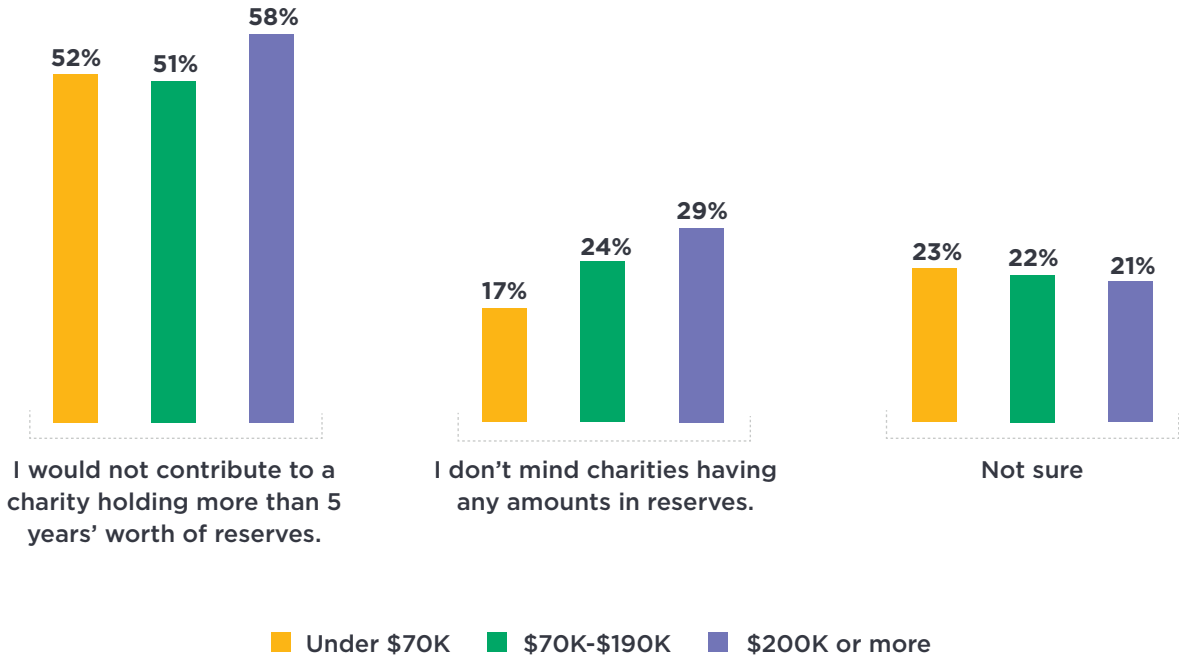
When asked to consider whether a level of reserves would discourage them from donating, more than half would be discouraged from giving once a charity is holding more than 5 years' worth in reserves.



Across generations, close to half of participants would be discouraged from giving once a charity is holding more than 5 years' worth of reserves. Millennials are most likely to say they don't mind charities having any amounts in reserves.



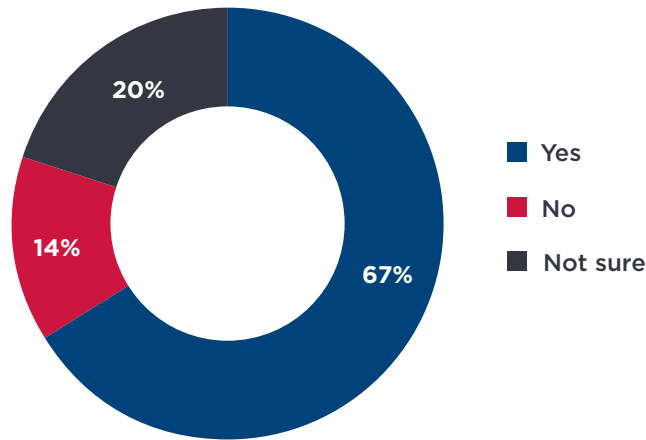
Across household income levels, more than half of participants would be discouraged from giving once a charity is holding more than 5 years' worth of reserves. Participants from household income of \$200K or more are most likely to say they don't mind charities having any amounts in reserves.



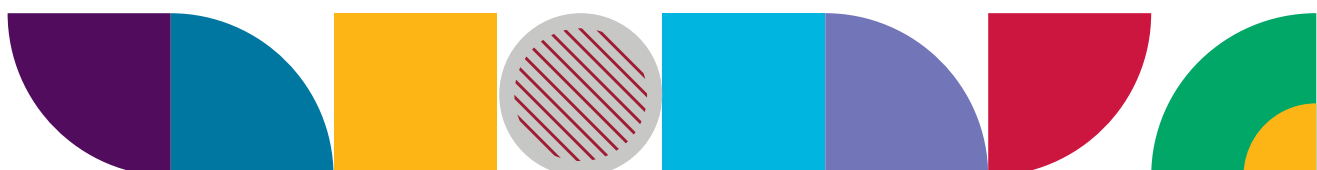
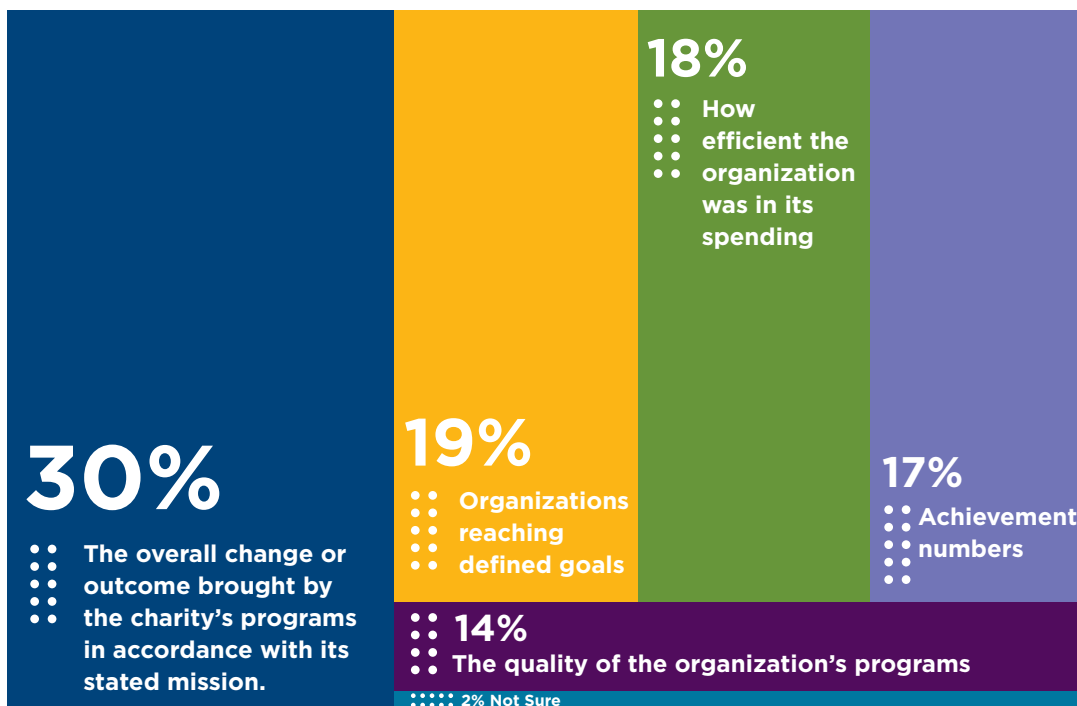


3. Impact

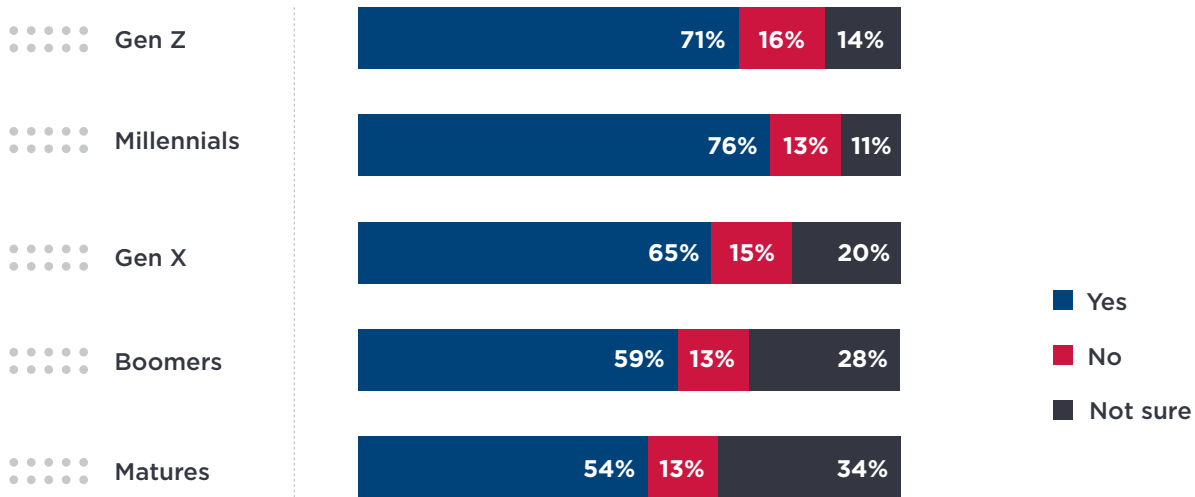
2 out of 3 participants report knowing what a charity means by “impact”:



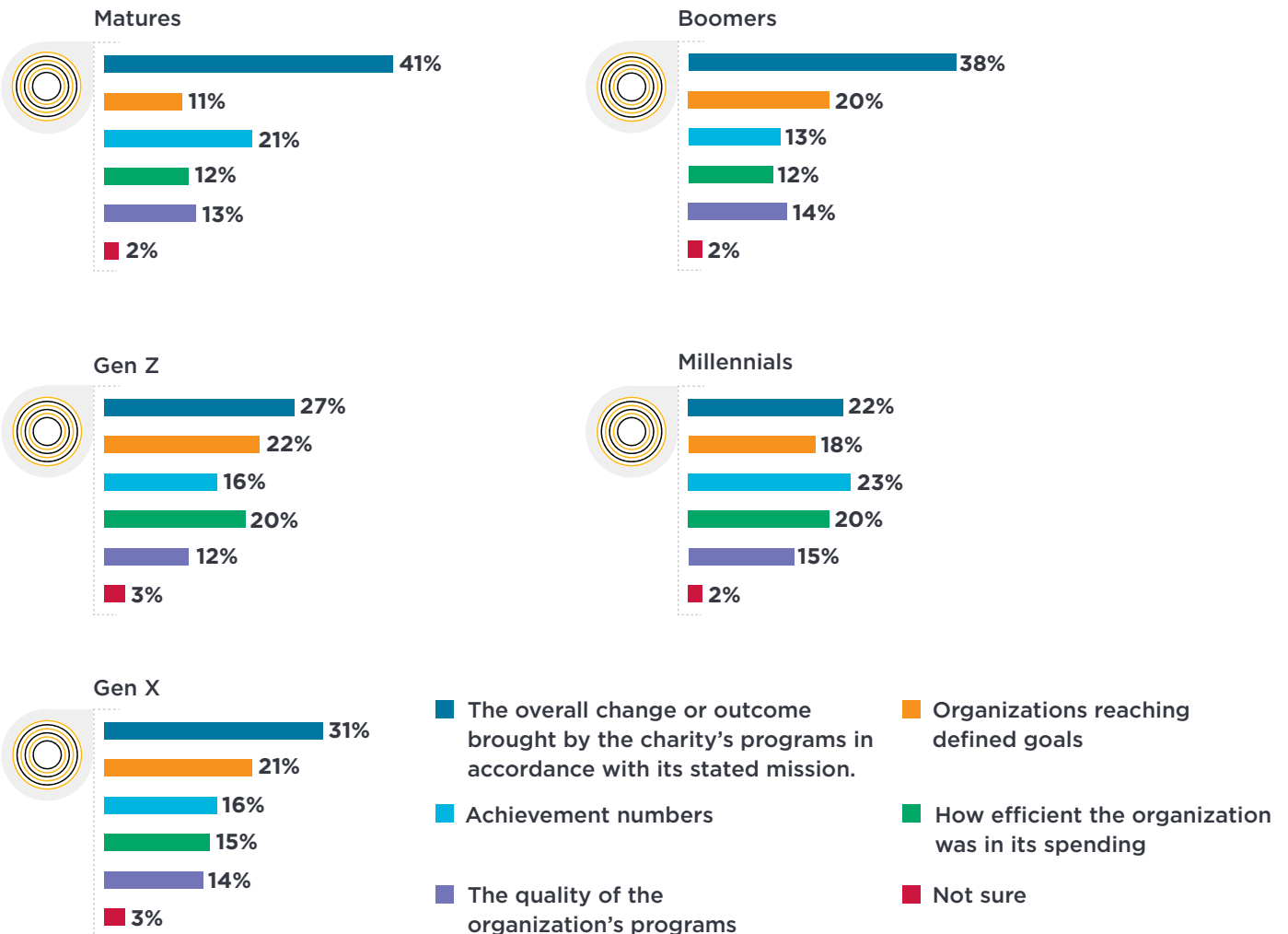
When asked to consider possible definitions for the term “charity impact,” survey respondents were split about how to best describe the term. Even among those who report knowing the meaning of “impact,” responses varied as follows:



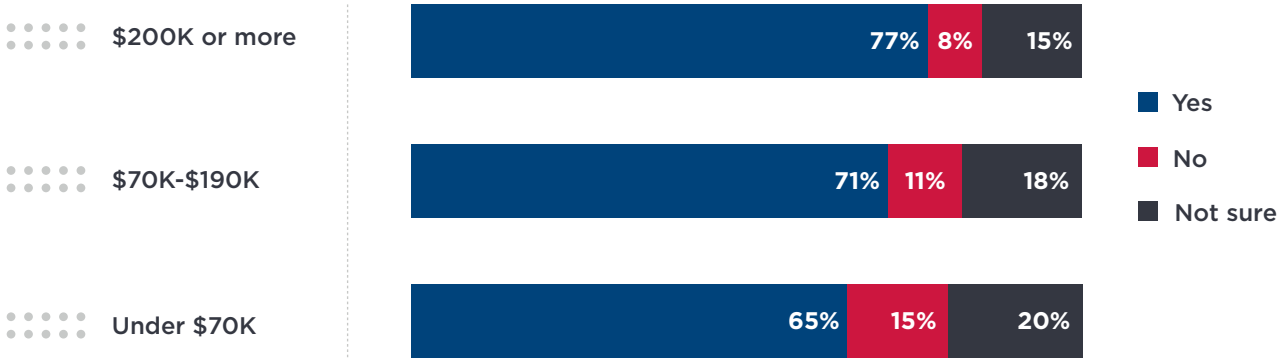
Younger generations were more likely to report knowing the meaning of charity impact:



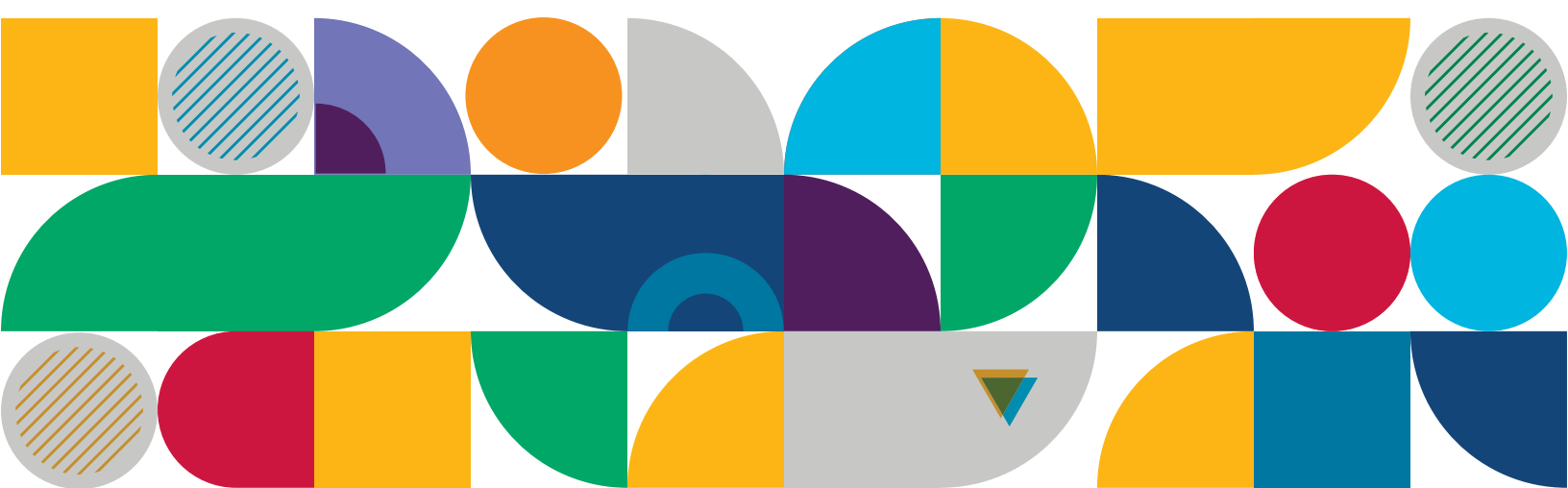
However, among those who report knowing the meaning of “impact,” younger participants were most divided:



Wealthier participants were more likely to report knowing the meaning of charity impact:



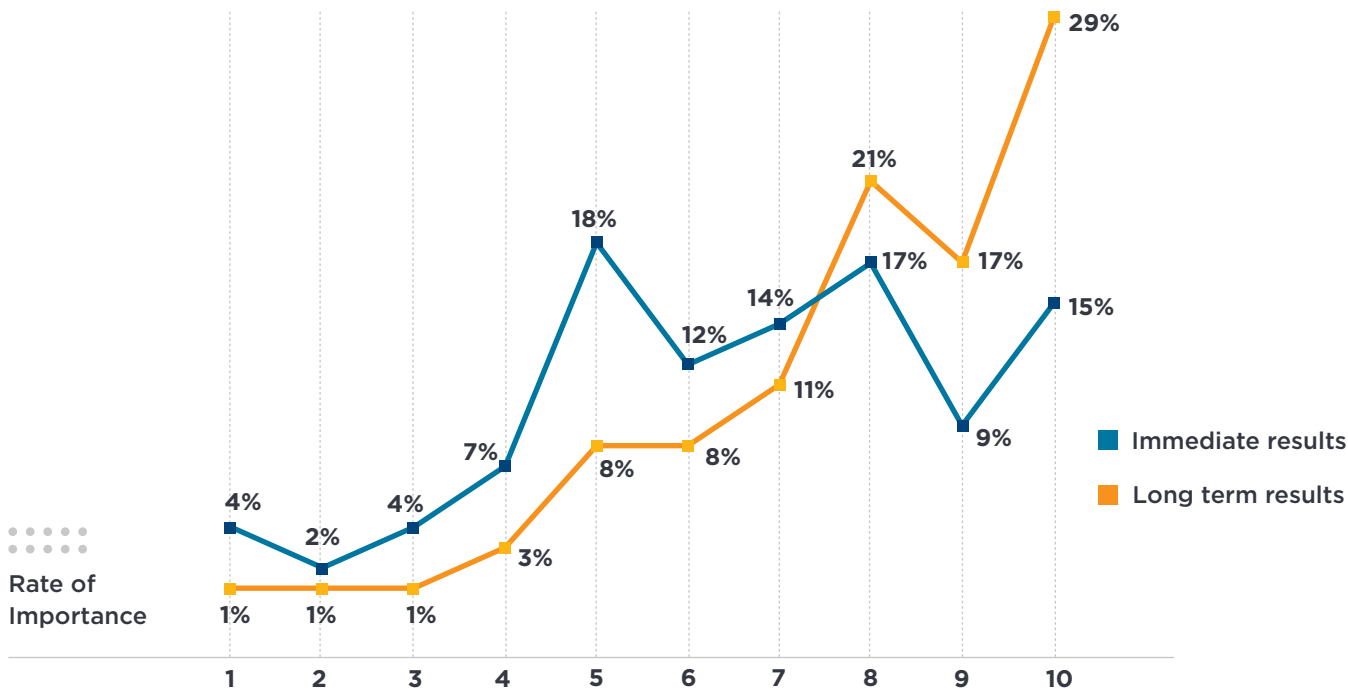
However, wealthier participants who report knowing the meaning of “impact” were most divided about how to best describe the term:



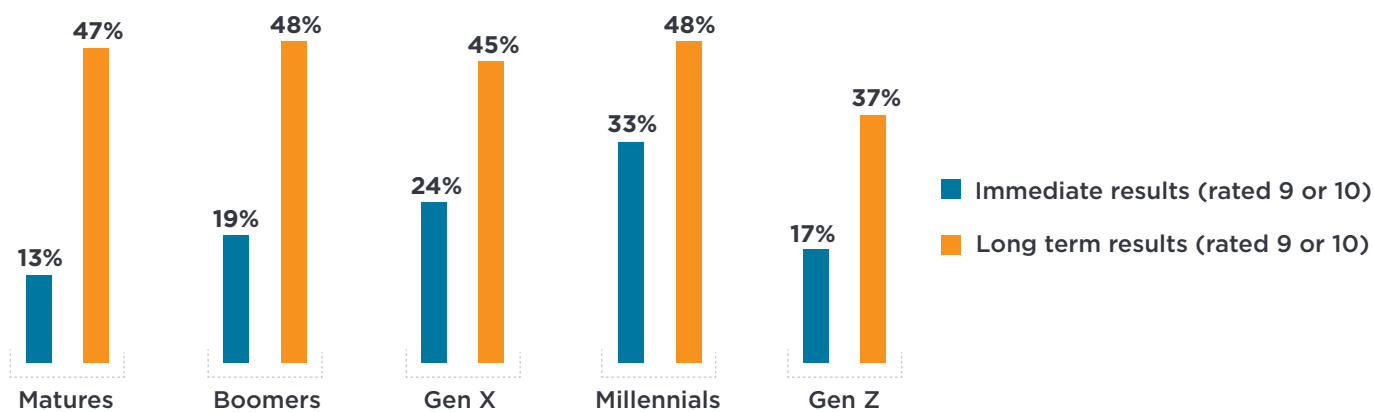
When asked to consider whether impact should be assessed on a case-by-case basis or compared across charities, participants were split:



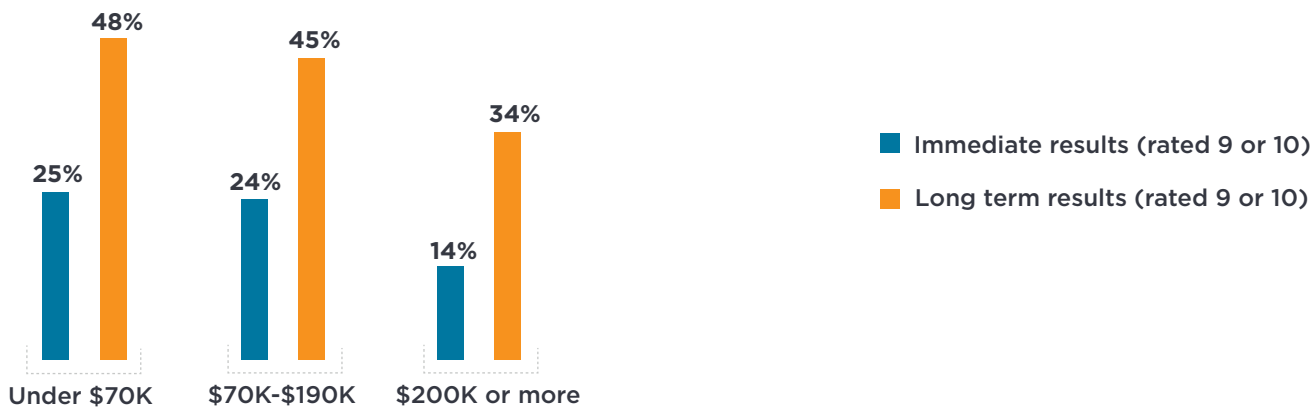
We asked participants to rate the importance of immediate and long-term results. Both immediate and long-term results are important, but more respondents said long-term results are highly important.



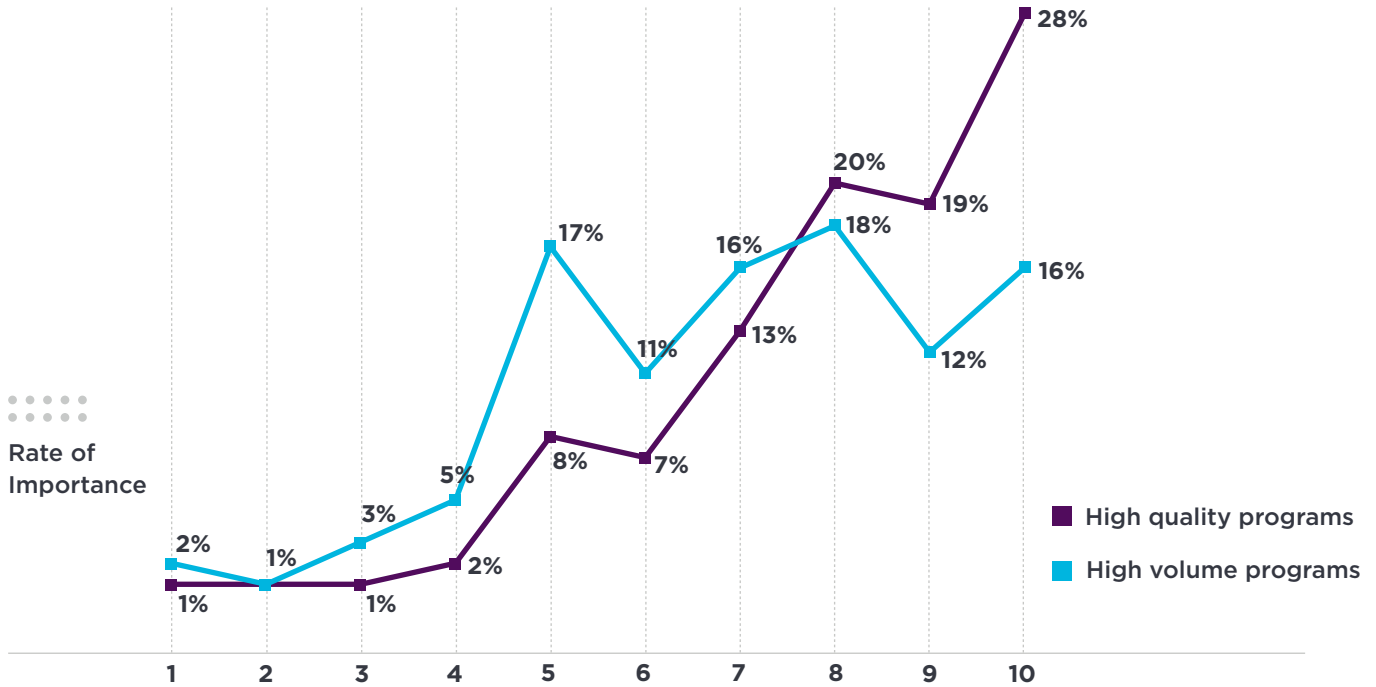
The relatively high importance attributed to long-term results as compared to immediate results held across generations, but the difference was most marked among older generations.



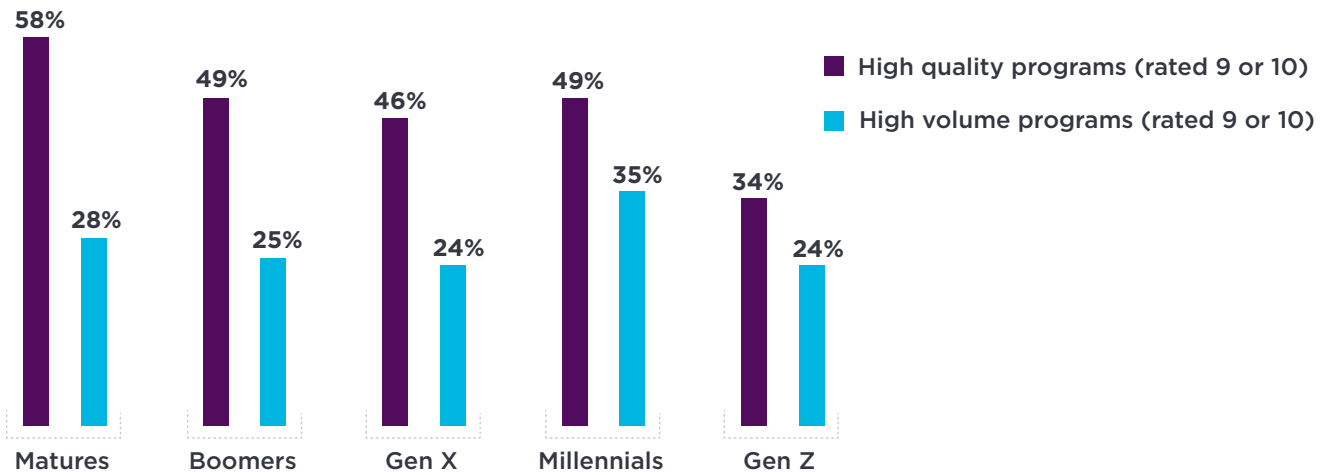
The relatively high importance attributed to long-term results as compared to immediate results also held across household income levels but was most marked among people from lower income households.



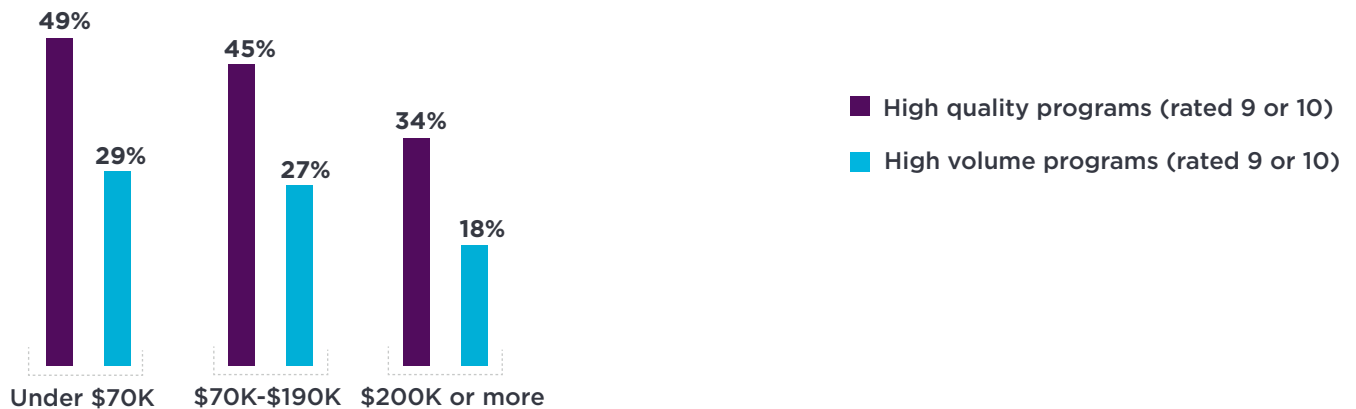
We asked potential donors to rate the importance of program volume and program quality. Both volume and quality are important, but more respondents said program quality is highly important.



The relatively high importance attributed to program quality as compared to volume held across generations, but the difference was most significant among older generations.



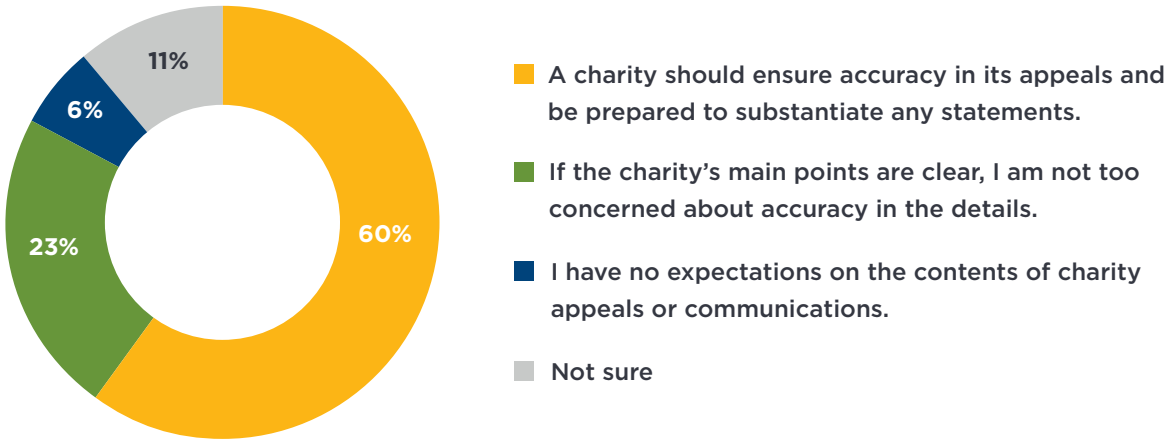
The relatively high importance attributed to program quality over volume held across household income levels, with high-quality programs being most important among lower income households.



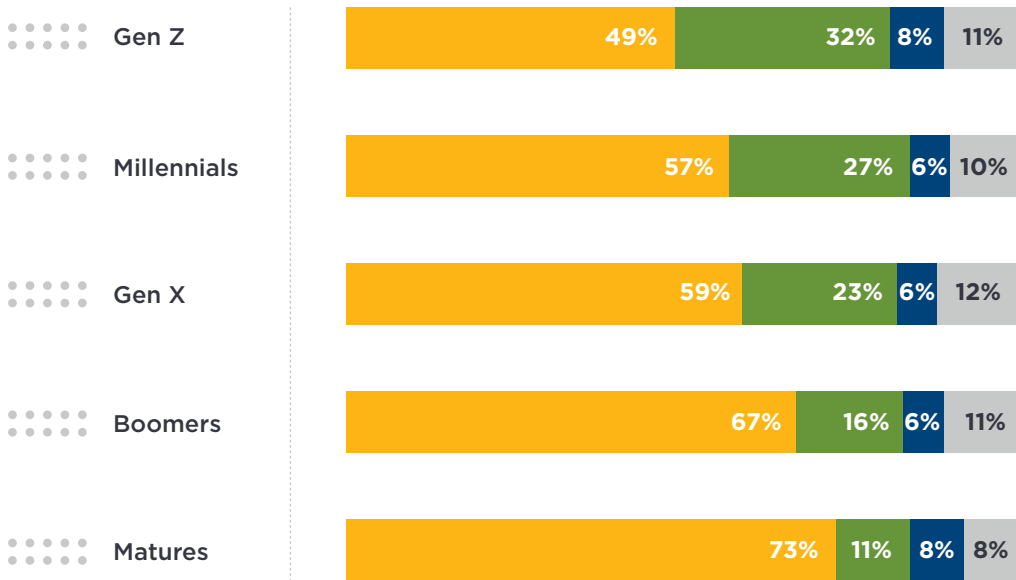


4. Solicitation Materials and Cause-Related Marketing

Most participants agree that charities should ensure accuracy in their solicitation appeals and be prepared to substantiate any statements:

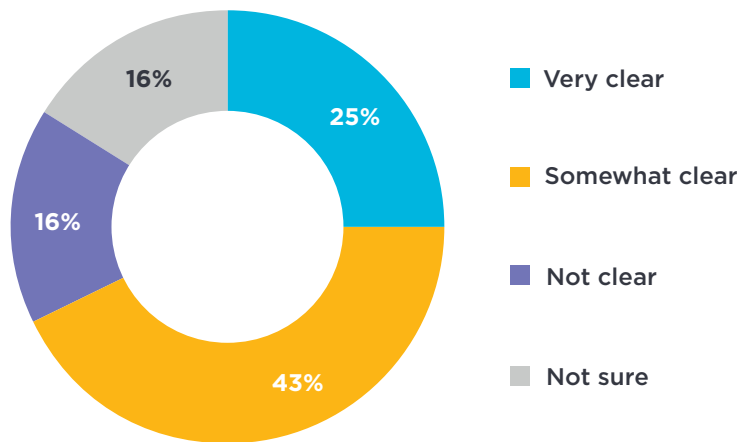


Younger participants are less concerned about appeal accuracy, with 1 in 3 Gen Zers stating that, as long as the charity's main points are clear, they are not too concerned about accuracy in the details:

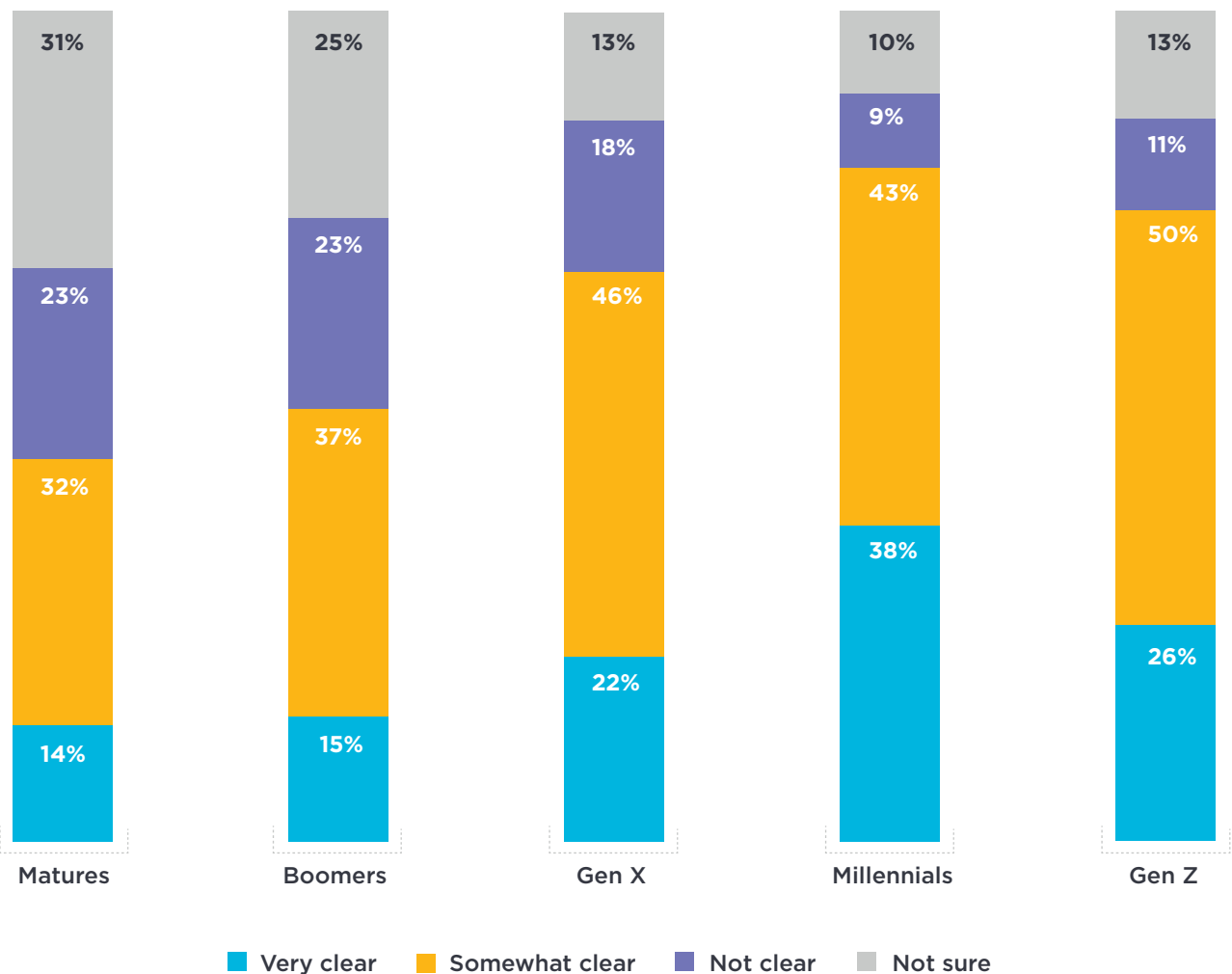


- A charity should ensure accuracy in its appeals and be prepared to substantiate any statements.
- If the charity's main points are clear, I am not too concerned about accuracy in the details.
- I have no expectations on the contents of charity appeals or communications.
- Not sure

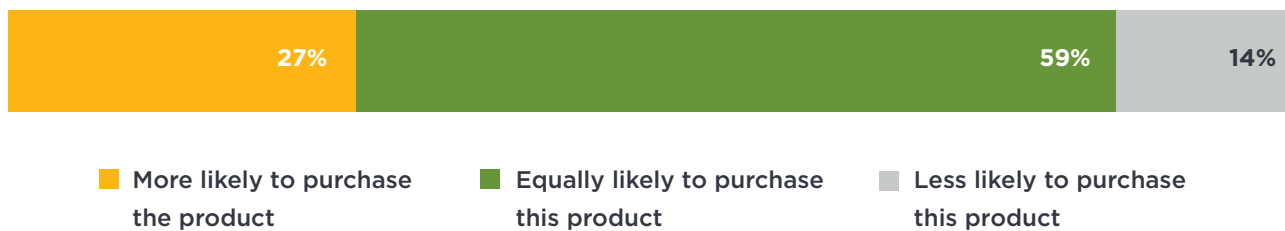
1 in 4 participants said charity solicitation appeals on social media clearly describe who the charity is and what it does.



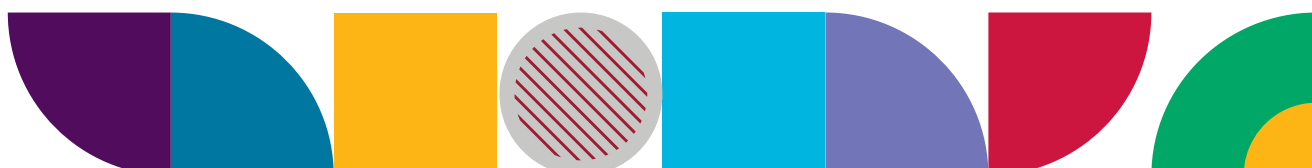
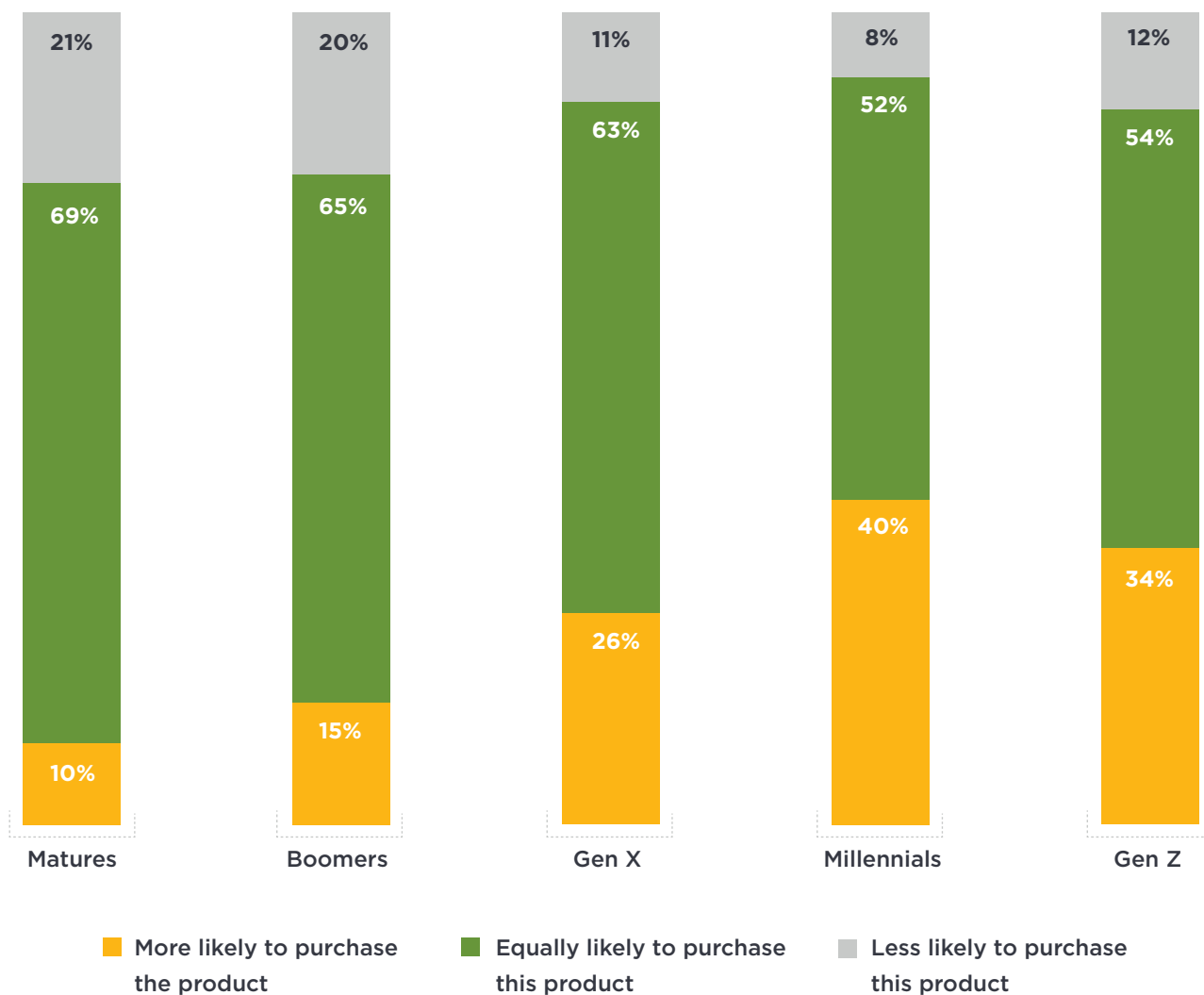
Younger generations are more likely to find charity solicitations appeals on social media to be very clear or somewhat clear.



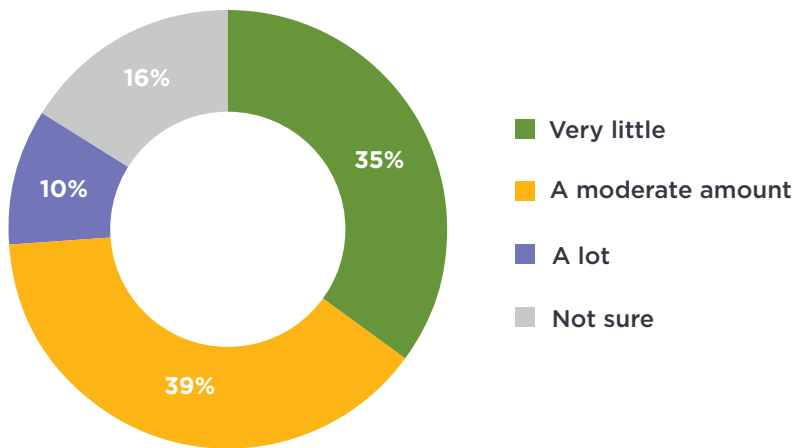
27% of participants said they would be more likely to purchase a product if they come across the statement: “the purchase of this product will benefit XYZ charity.”



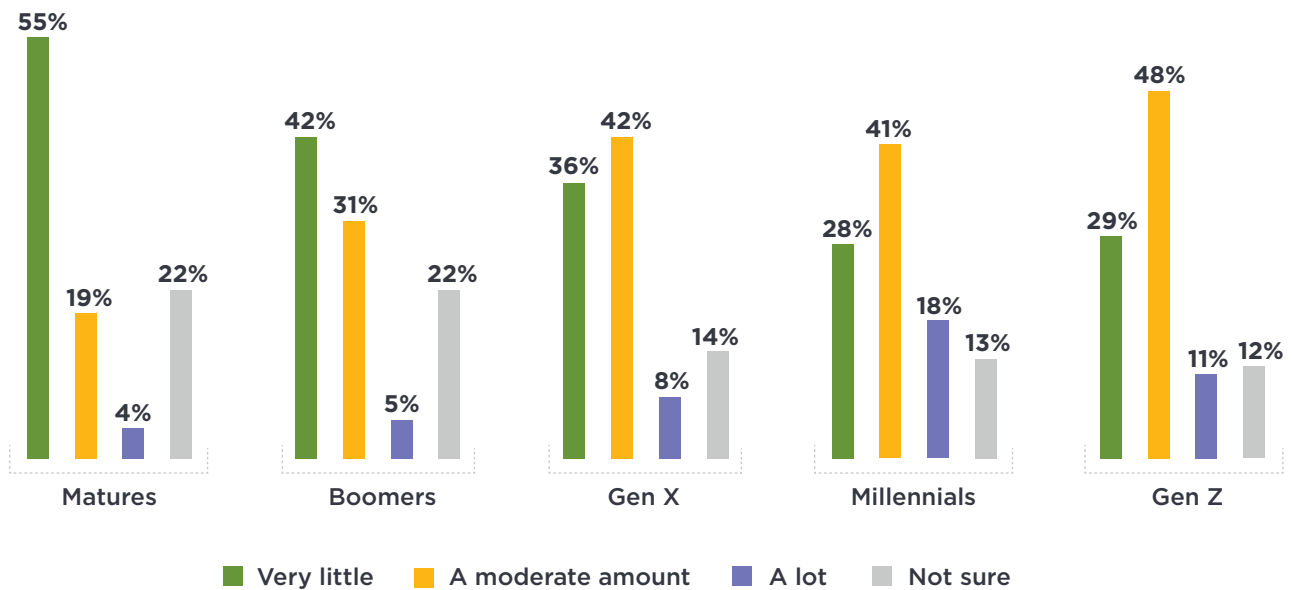
Younger participants report being more likely to be swayed by a cause marketing promotion, with 40% of Millennials, as compared to 10% of Matures, saying cause-related promotions make them more likely to purchase a product.



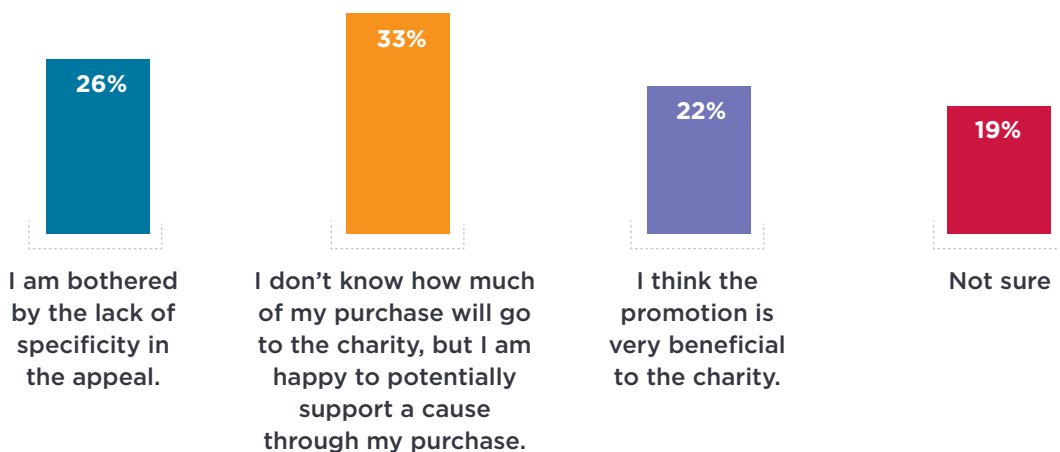
When presented with ambiguous cause-promotion language, “your purchase of this product helps XYZ charity,” only 35% assume the donation associated with their purchase is “very little.”



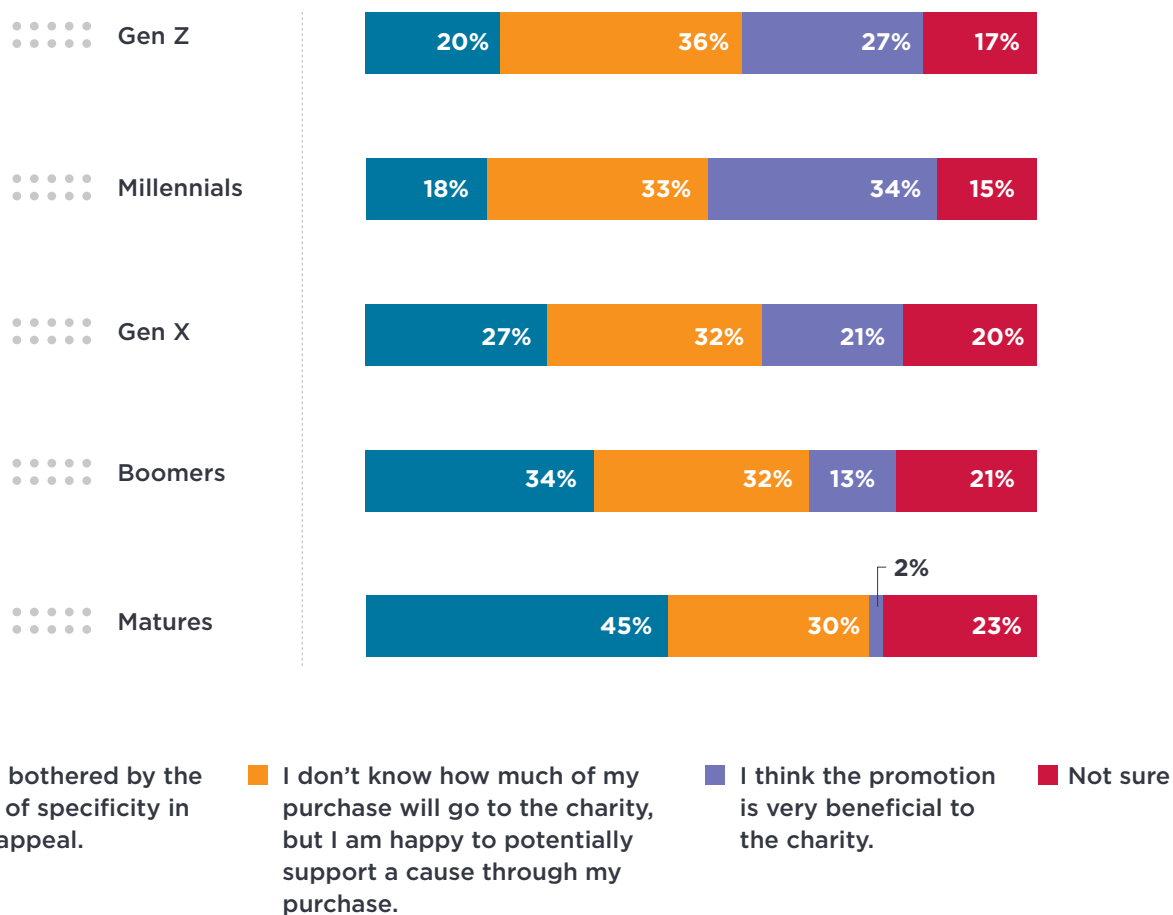
When cause promotion language is ambiguous, younger participants are most likely to assume the charitable contribution associated with their purchase will be high.

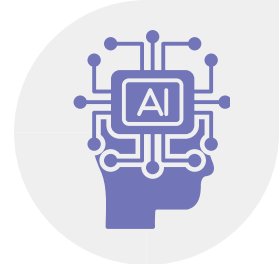


When presented with ambiguous cause-promotion language, “Your purchase of this product helps XYZ charity,” 1 in 4 participants reports being bothered by the lack of clarity in the appeal. 1 in 3 reports not knowing how much of the purchase would benefit the charity but being happy to potentially support a cause:



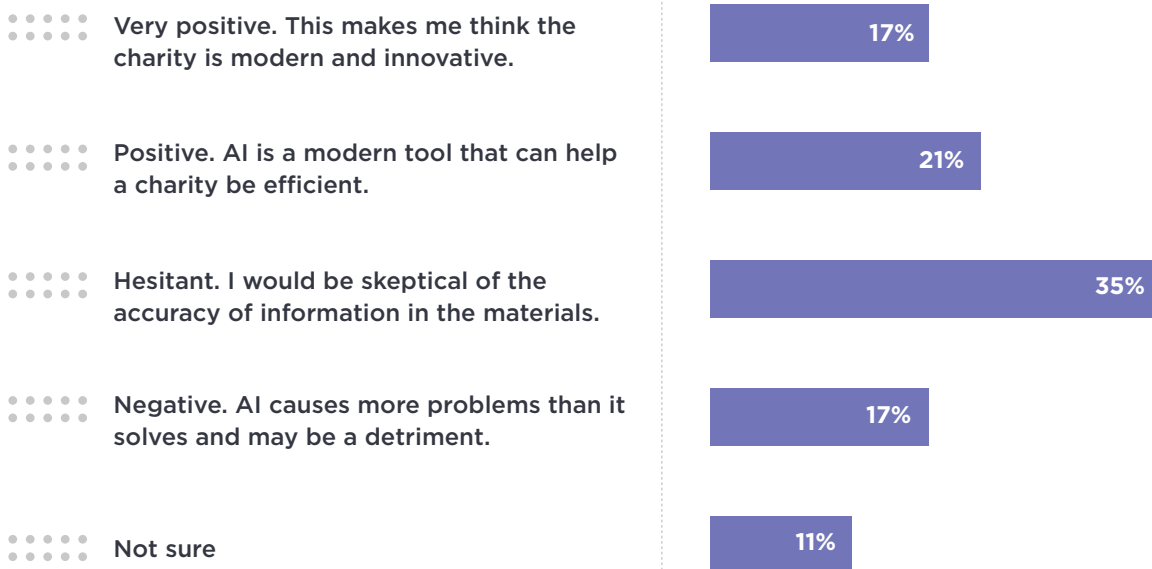
Younger generations are least likely to take issue with ambiguity in cause promotion language.



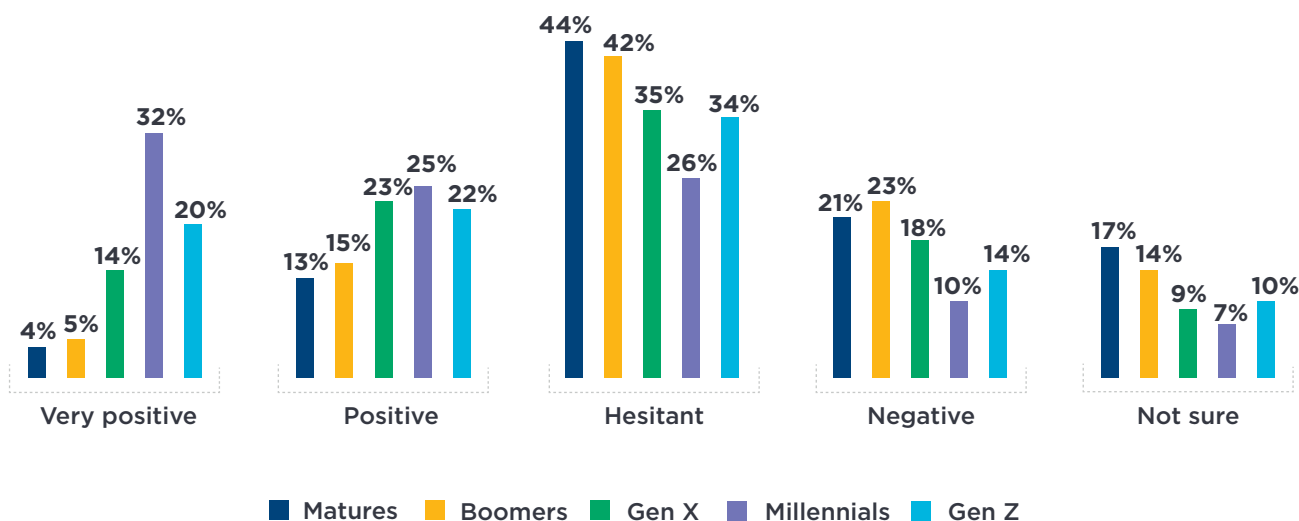


5. Artificial Intelligence

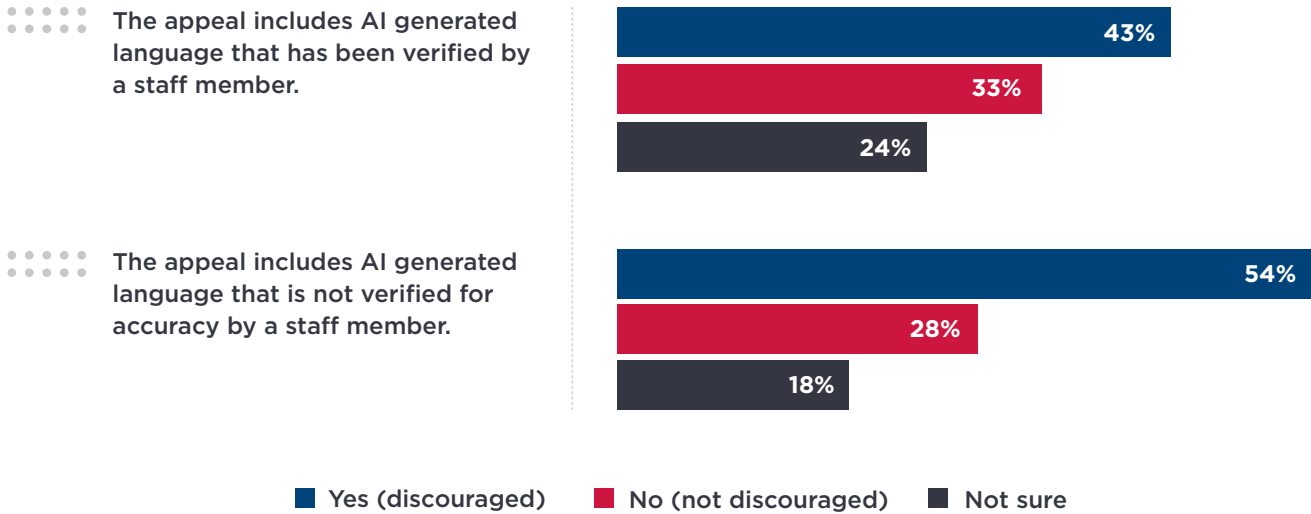
When asked to imagine a charity using AI in its information and solicitation materials, most participants describe their reaction as hesitant or negative, but there is also a significant portion with a positive or very positive reaction:



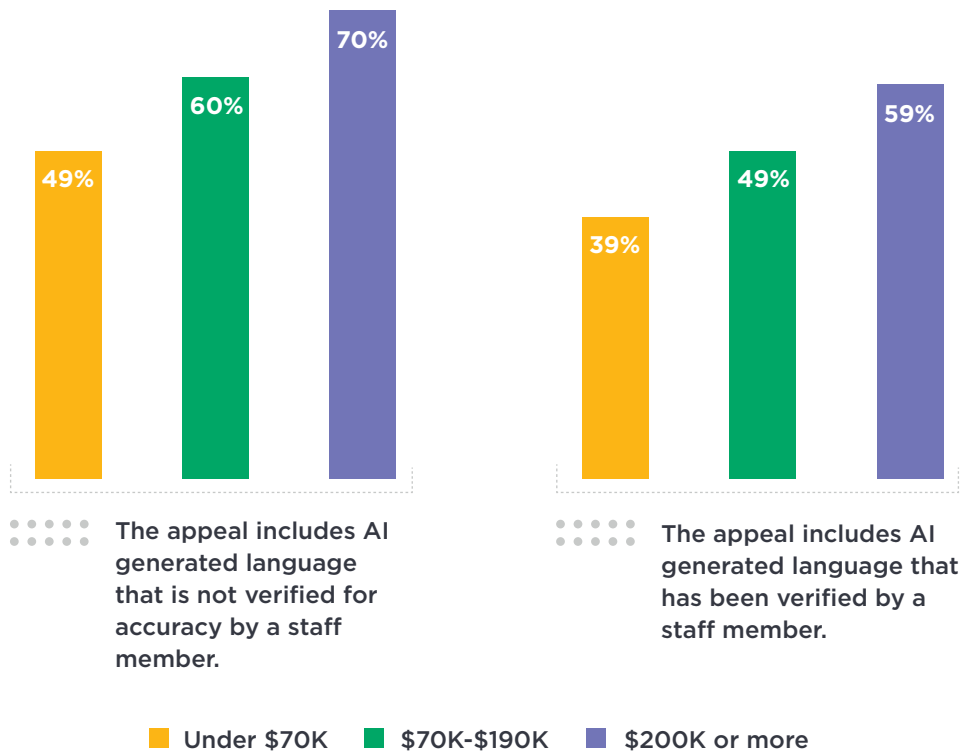
Millennials are most likely to have a positive and very positive reaction to the use of AI in charity solicitation appeals:



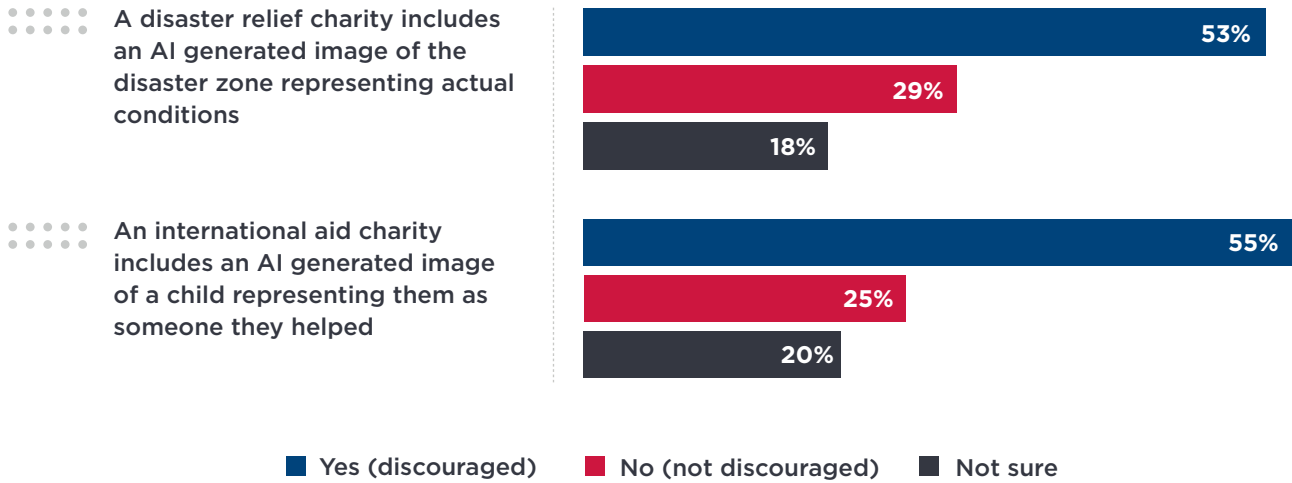
When asked to imagine charity appeals including AI-generated language, the majority of participants say they would be discouraged from giving if they knew the appeal was not verified for accuracy by a staff member.



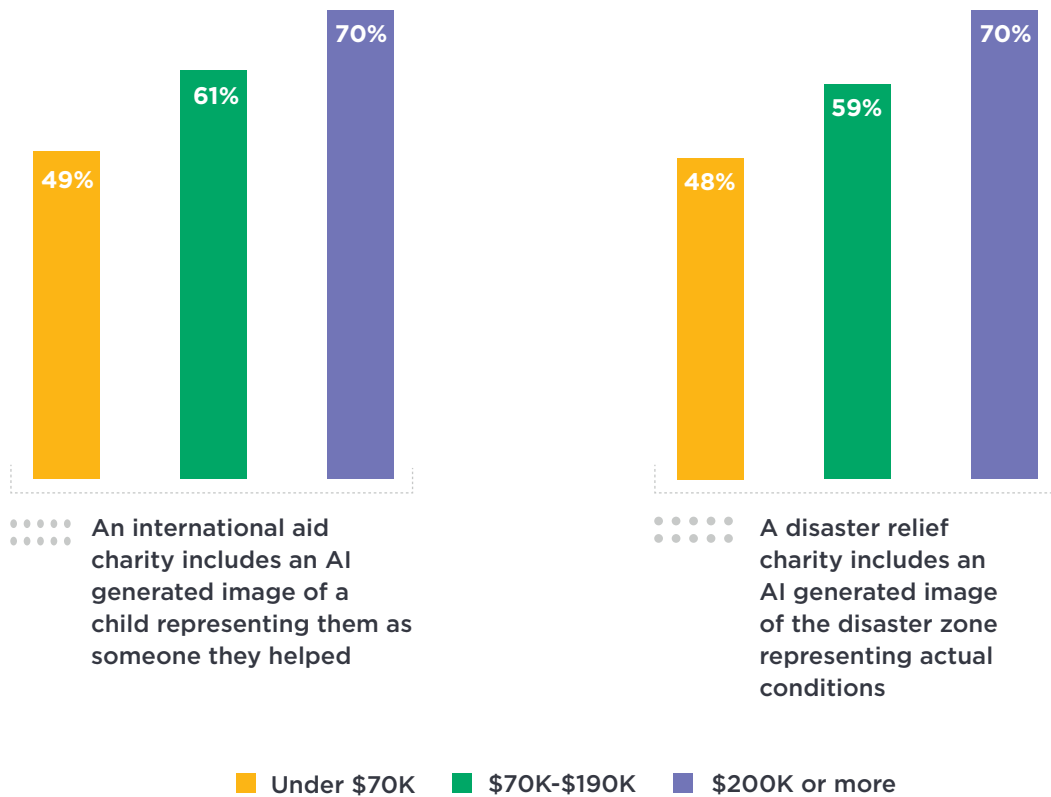
Participants from household income of \$200,000 or more are most likely to be discouraged from giving based on a charity solicitation appeal including an AI-generated language.



When asked to imagine charity appeals including AI-generated images representing a disaster zone or children served by the organization, the majority of participants say they would be discouraged from giving by the AI-generated images.



Participants with household income of \$200,000 or more are most likely to be discouraged from giving.





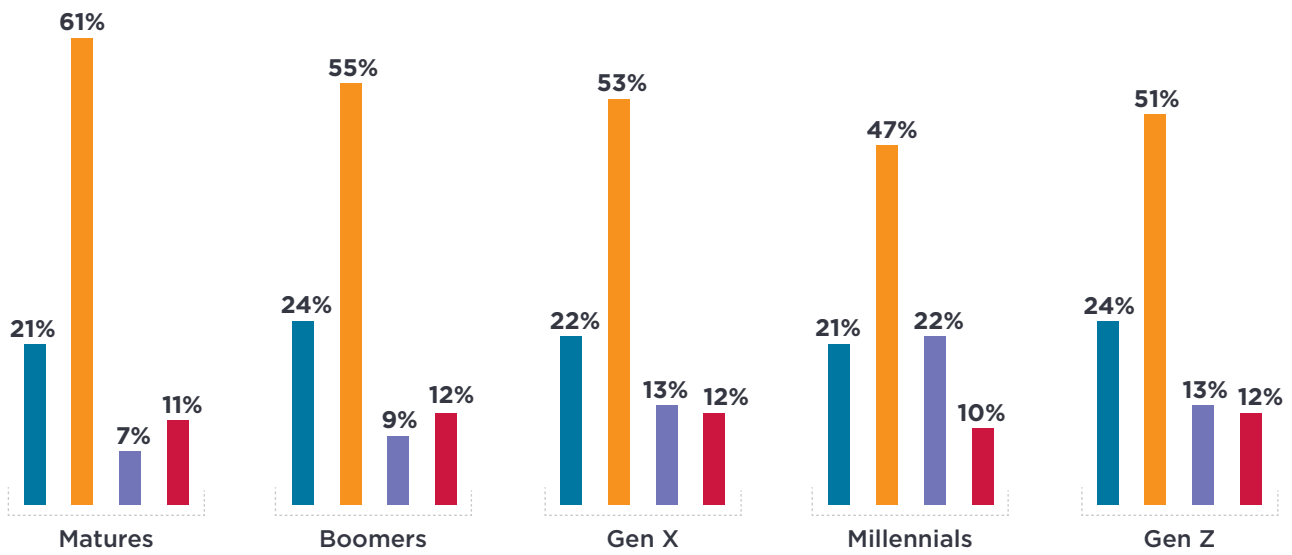
6. Data Security

When asked to imagine that a charity they personally support appears in the news for being hacked and having data stolen, participants say the following:



- I would no longer donate to that charity.
- I would hold off on donating until I am satisfied that the issue is resolved.
- I would likely continue to support them.
- Not sure to support them.

Across generations, more than 1 in 5 say they would no longer donate to the charity.



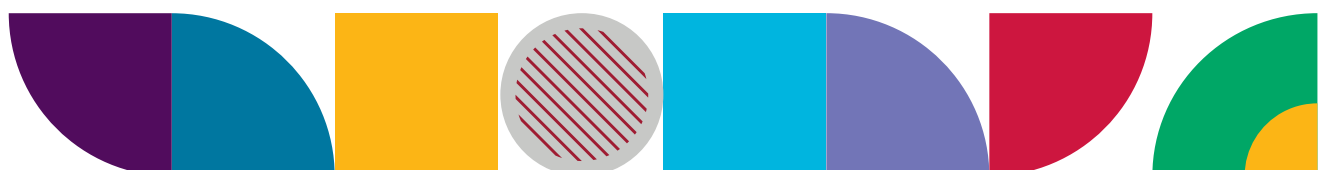
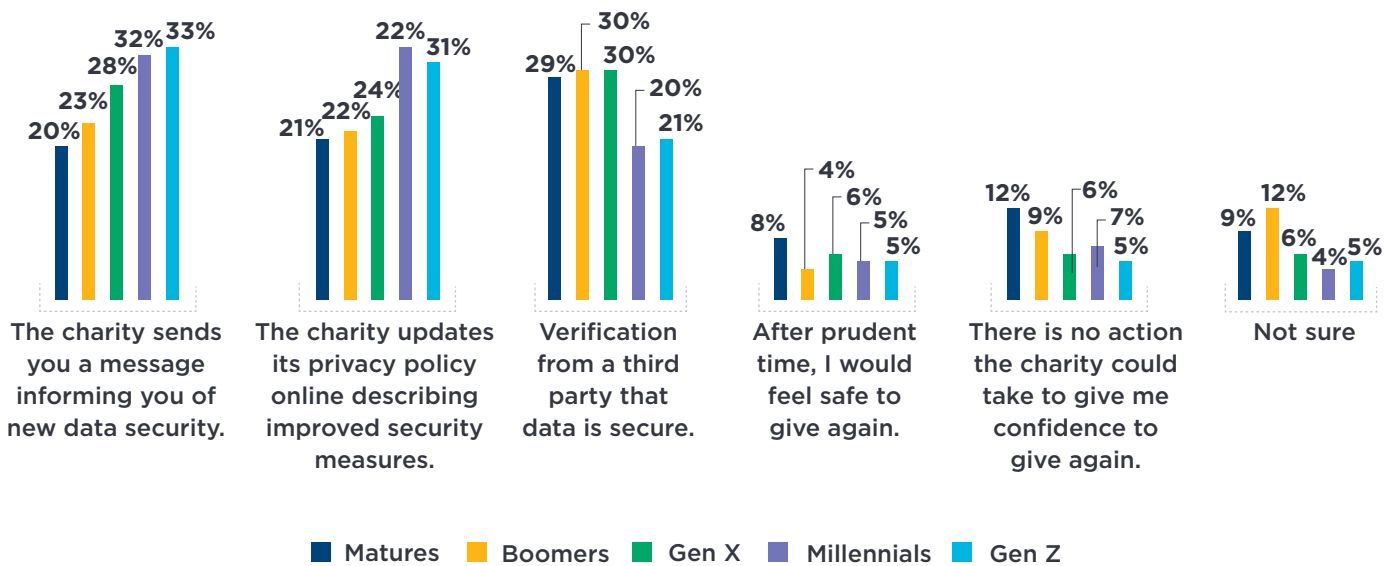
- I would no longer donate to that charity.
- I would hold off on donating until I am satisfied that the issue is resolved.
- I would likely continue to support them.
- Not sure to support them.



Among participants who would no longer give or would hold off on donating until they feel satisfied that the issue is resolved, the following actions could lend some confidence to give again:

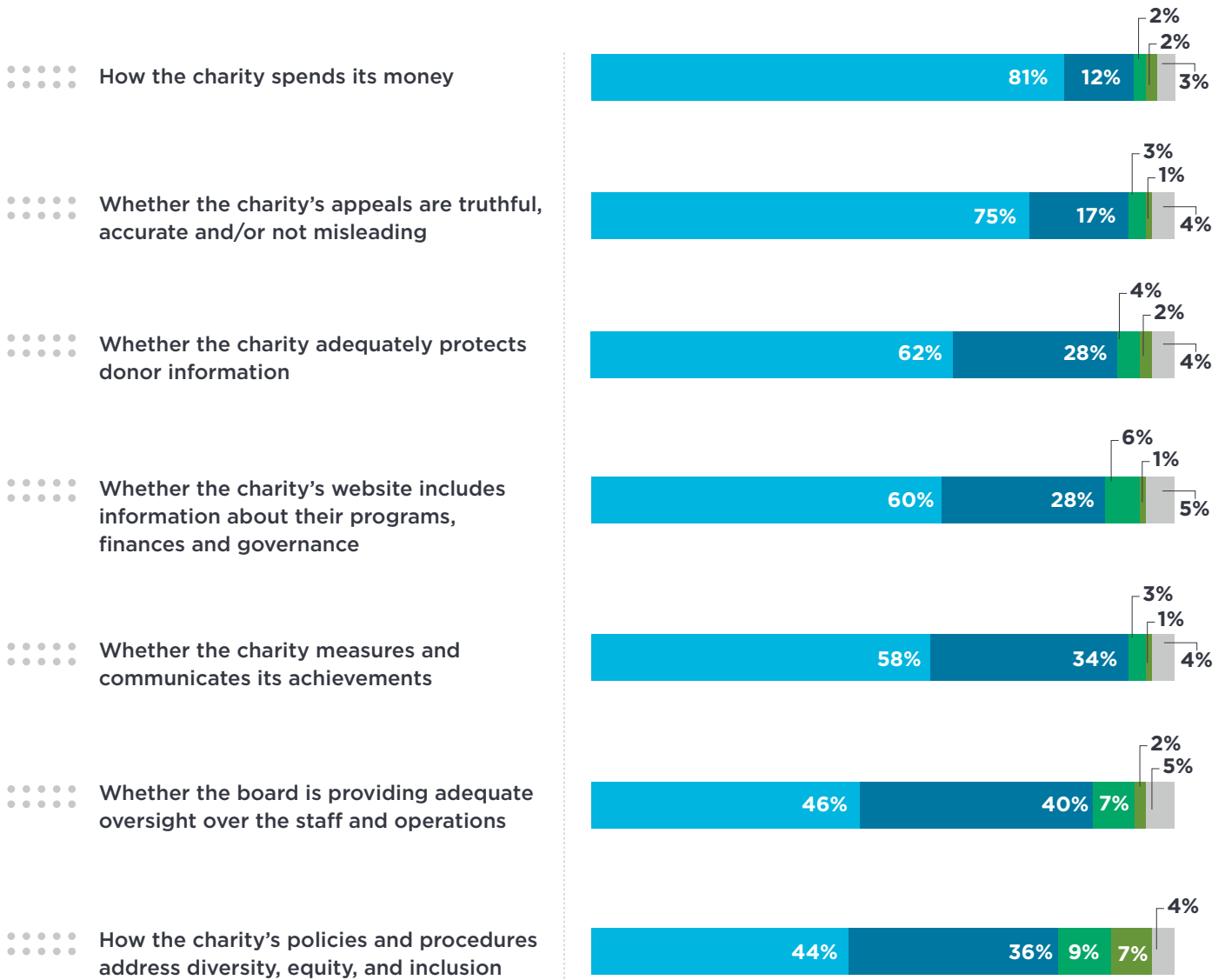


Gen Zers and Millennials are most likely to consider giving again in response to a message informing donors of new data-security improvements and updates to the privacy policy showing improved security measures. Matures, Boomers, and Gen Zers are most likely to respond to verification from a third party that data is secure.



Canada Results & Figures

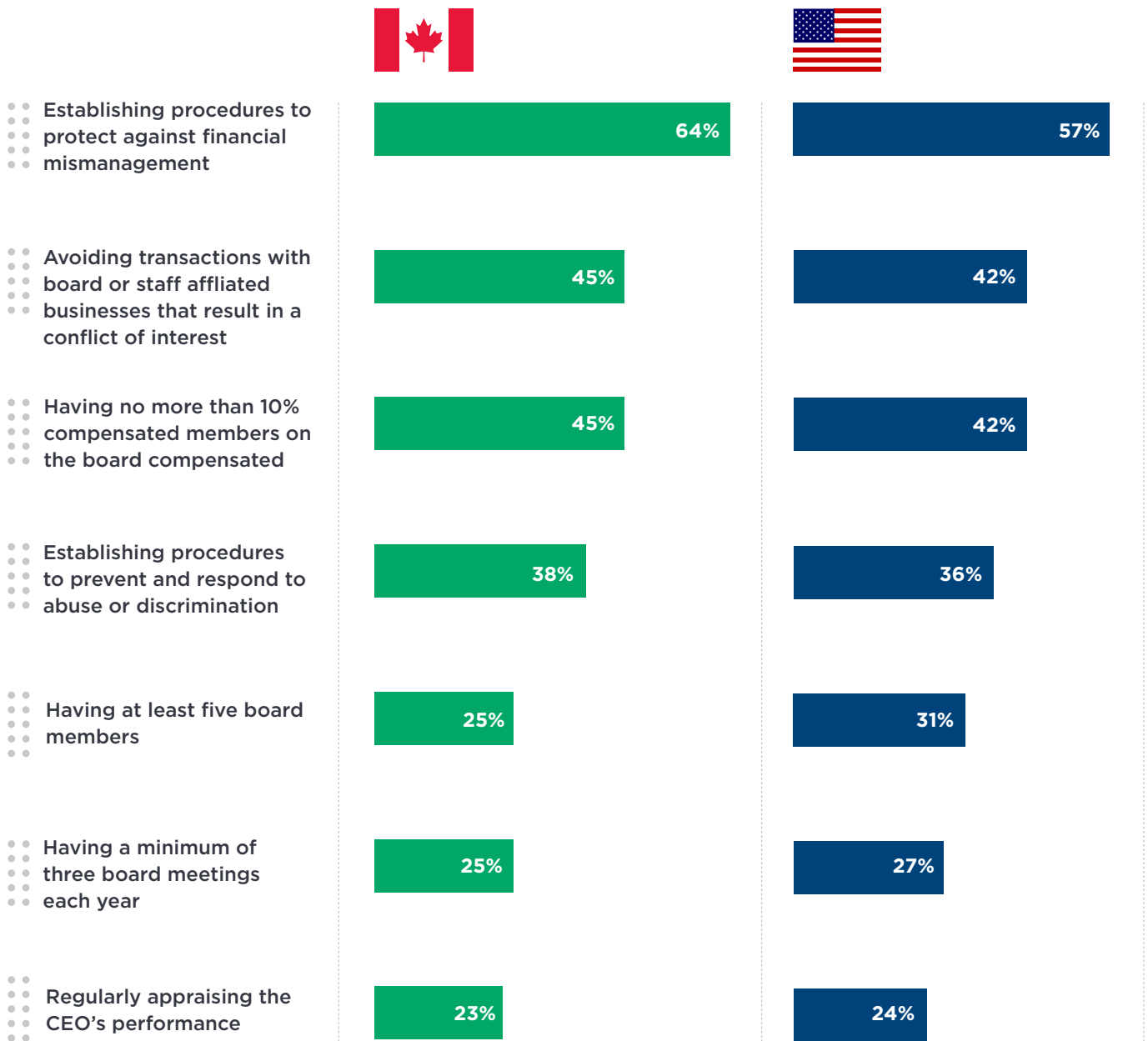
When asked to consider the importance of assessing 7 different accountability elements, Canadian participants said they would most value independent review of the following:



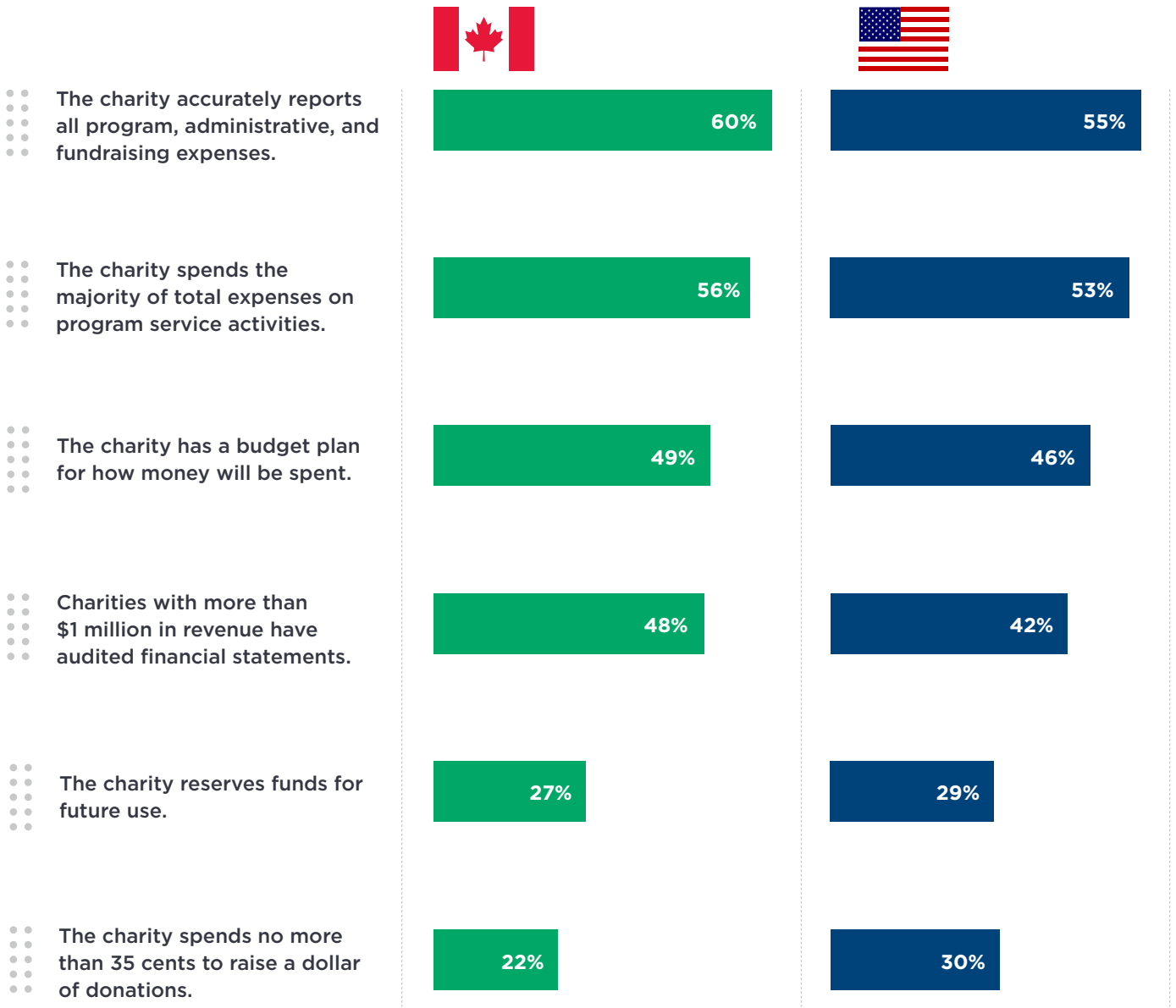
■ Very important
 ■ Somewhat important
 ■ Not too important
 ■ Not at all important
 ■ Don't know



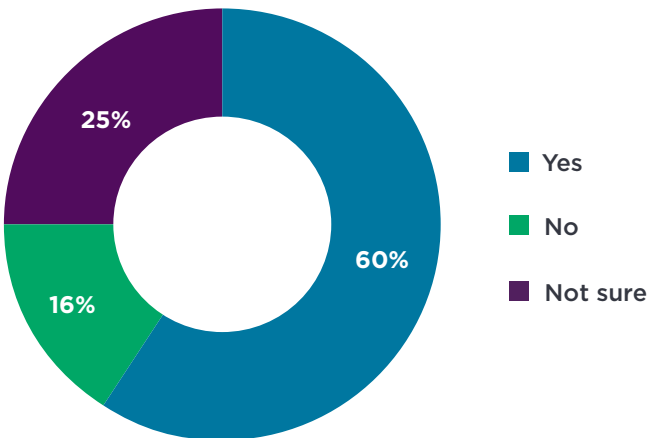
When presented with a list of practices that can strengthen board oversight over a charity's operation and staff, and asked to select the 3 most important practices, Canadian and U.S. participants tracked very closely:



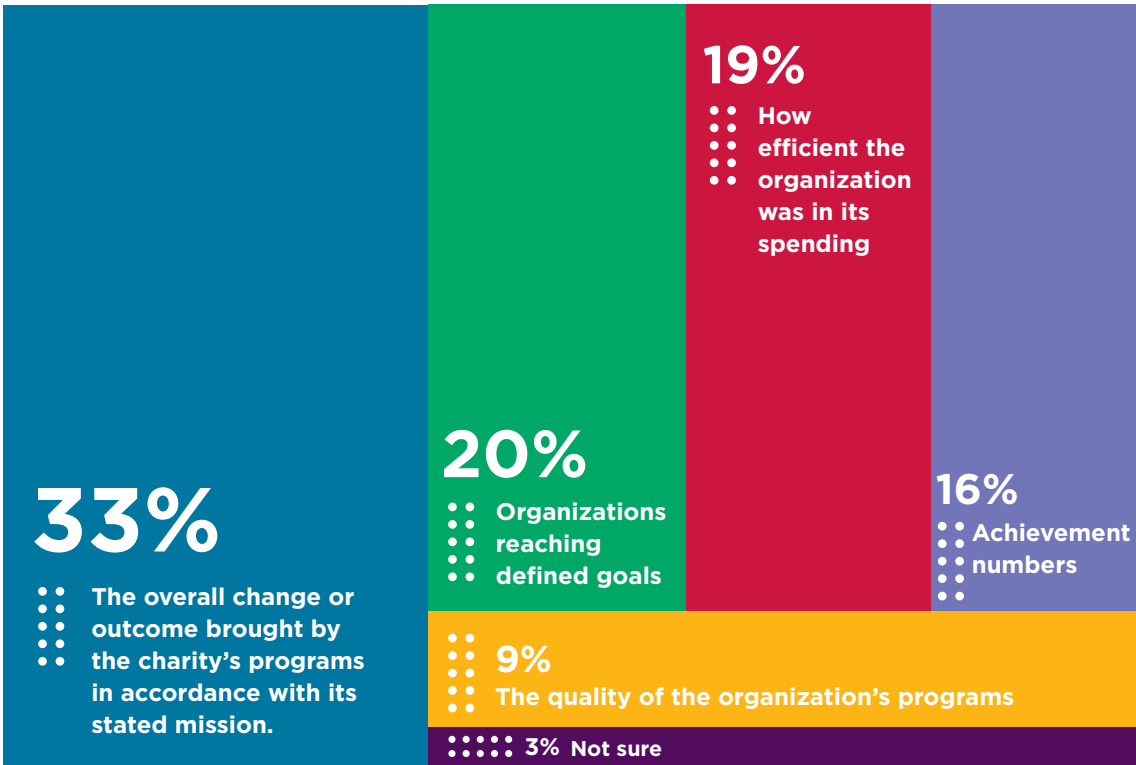
When considering financial criteria that makes them confident to give, both Canadian and U.S. participants report accurate expense reporting and majority spending on program activities were the most important financial criteria:



60% of Canadian participants report knowing what a charity means by “impact”:

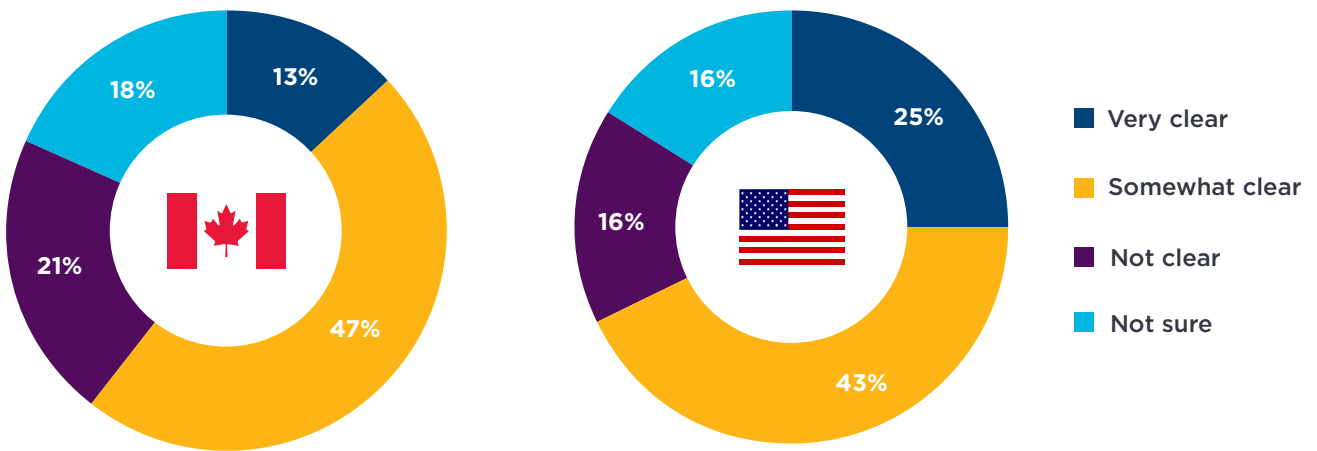


When asked to consider possible definitions for the term “charity impact,” Canadian survey respondents were split about how to best describe the term. Even among those who report knowing the meaning of “impact,” the divide was as follows:



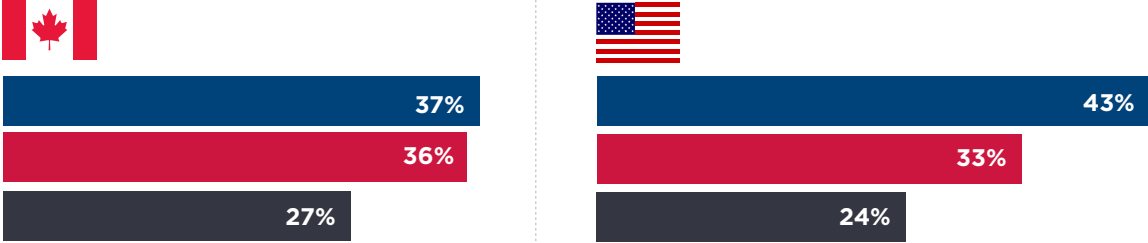
These answers track very closely with U.S. responses.

Only 13% of Canadian participants said charity solicitation appeals on social media are “very clear,” as compared to 25% of U.S. respondents.

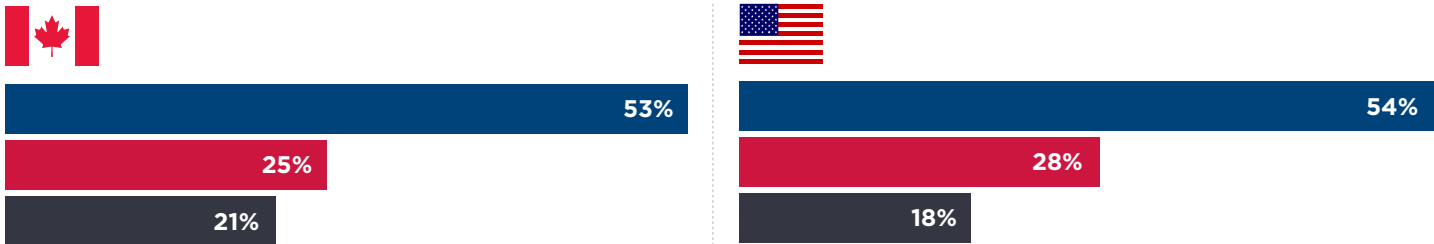


When asked to imagine charity appeals including AI-generated images, the majority of Canadian and U.S. participants say they would be discouraged from giving if they knew the appeal was not verified for accuracy by a staff member.

••••• The appeal includes AI generated language that has been verified by a staff member.

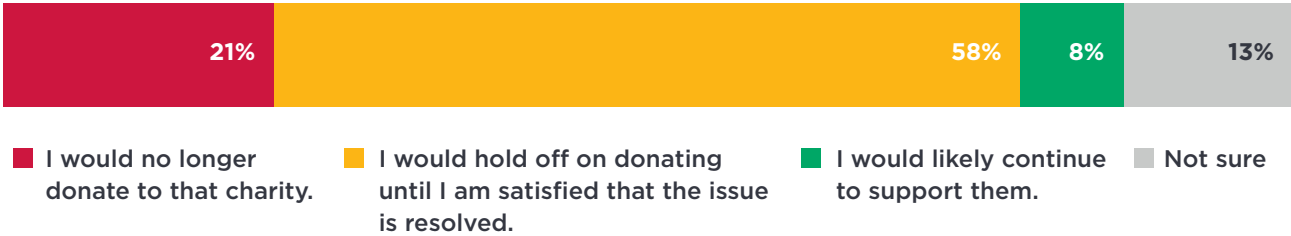


••••• The appeal includes AI generated language that is not verified for accuracy by a staff member.



■ Yes (discouraged) ■ No (not discouraged) ■ Not sure

When asked to imagine that a charity they personally support appears in the news for being hacked and having data stolen, Canadian participants say:



Conclusion

In this report, we explore public positions and expectations related to selected charity accountability themes. Below are five takeaways for charities looking to elicit trust:

- **In an age of distrust, misinformation, and data vulnerability, truthfulness in communication and data protection are donor priorities.**

Not surprisingly, how the charity spends its money continues to be the top accountability priority chosen by survey participants. The next highest accountability priorities—(a) truthful and accurate appeals and (b) adequate protection of donor information—are perhaps more noteworthy. In a recent *New York Times* article titled “Welcome to Scam World,” author Steven Kurutz examines how the internet simultaneously makes the world less burdensome and makes deceit, such as scams, easier to carry out.⁶ As argued in this article, the internet moves too fast for regulators to keep up, leaving people in a constant state of vulnerability, misplaced trust, fatigue, and paranoia. In a world where mistrust is so latent, appeal accuracy and data protection are more valuable than ever.

- **With an average donor age of 65,⁷ engaging younger supporters is important. Their views on accountability are distinct and developing.**

We continue to observe differences in the way generations approach charity trustworthiness. For example, younger generations are more comfortable with ambiguity in cause promotion language and are more likely to find social media appeals to be clear than their older counterparts. When it comes to finances, younger generations are more likely to want charities to have reserves for future use and to spend no more than 35 cents to raise a dollar of donations. They are most likely to say they understand the meaning of “impact” but least likely to agree on a common answer. Some of these preferences may change during their lifecycle, but others may be ingrained as part of the change in context. Both third-party monitors and charities themselves have ongoing opportunities to help shape their accountability outlook.

- **While it has become a common assumption that donors care about impact, our results suggest there is leeway in how impact is communicated.** Ultimately, charities should be clear in how they define their own impact and take comfort in knowing that people care about long-term results and quality programs.

While the public is confused about the meaning of “impact” and divided about whether impact should be assessed on a case-by-case basis or compared across charities, the majority of individuals says they value long-term results (more than immediate results) and high-quality programs (more than high volume programs). The relatively high importance attributed to long-term results as compared to immediate results held across household income levels but was most marked among people from lower income households.

⁶ Kurutz, S. “Welcome to Scam World.” *The New York Times*, April 21, 2024.

⁷ Blackbaud Institute. Overall Giving Trends. Available at <https://institute.blackbaud.com/charitable-giving-report/overall-giving-trends/>

- **Engaging supporters on social media can be challenging. When it comes to charity accountability, one difficulty is balancing short communication with the need for clarity.**

1 in 4 participants find charity solicitation appeals on social media to be very clear. While younger generations can be more acquainted with social media and find more clarity in these appeals, including a link to fuller information is good practice so people of all ages can find the clarity they seek.

- **The use of AI images and language in solicitation appeals can throw off potential supporters.**

AI has vast implications for supporter engagement, donor privacy, charity programs, and much more. When it comes to the use of AI in information and solicitation materials, most participants describe their reaction as hesitant or negative. In fact, participants with a household income of \$200,000 or more are most likely (70.3%) to be discouraged from giving based on a charity solicitation appeal including an AI-generated image.

Our survey results reflect a public with a broad set of accountability priorities. While it is true that charity finances continue to be front of mind for many, financial priorities are shifting and are only part of a broader picture. The 20 BBB Standards for Charity Accountability⁸ intend to promote a holistic view of charity accountability. As the public is influenced by cultural shifts and the fast pace of technology, it is more important than ever to periodically check on public accountability priorities and perceptions.

⁸ 20 BBB Standards for charity accountability are available at: <https://give.org/charity-landing-page/bbb-standards-for-charity-accountability>



Methodology

We commissioned an electronic survey of more than 2,100 adults across the United States and more than 1,100 adults across Canada during December 2023 (see Tables 1 and 2). The margin of error for the December 2023 survey in the United States is 2% (with 95% confidence level), and the margin of error for the December 2023 Canadian survey is 3% (with 95% confidence level).



Table 1 — Profile of Respondents in the United States

| By Age | | By Gender | | By Annual Household Income (in thousands) | |
|-----------|--------|---|-------|---|-------|
| 18-34 | 28.9% | Female | 49.5% | < 30 | 19.5% |
| 35-44 | 16.2% | Male | 49.4% | 30-59 | 29.5% |
| 45-54 | 15.7% | Nonbinary, Prefer not to answer, Other, and Transgender | 1.1% | 60-89 | 18.3% |
| 55-64 | 16.3% | | | 90-119 | 10.1% |
| > 65 | 23.0 % | | | 120-149 | 6.2% |
| | | | | 150 and more | 13.9% |
| | | | | Prefer not to answer | 2.5% |
| By Region | | By Ethnicity | | By Religion Attendance | |
| Northeast | 17.7% | African American | 13.4% | Never | 24.5% |
| Midwest | 22.5% | Asian | 1.8% | Rarely | 24.8% |
| South | 37.0% | Hispanic/Latino | 15.1% | Frequently | 28.4% |
| West | 22.2% | Nativee American or Alaska Native | 0.6% | Occasionally | 18.7% |
| | | Other | 1.5% | Don't know | 1.3% |
| | | Pacific Islander | 0.3% | Prefer not to answer | 2.3% |
| | | White | 67.3% | | |



Table 2 — Profile of Respondents in Canada

| By Age | | By Gender | | By Annual Household Income (in thousands) | |
|--------|-------|---|-------|---|-------|
| 18-34 | 27.1% | Female | 49.8% | < 30 | 8.5% |
| 35-44 | 17.9% | Male | 49.3% | 30-59 | 30.7% |
| 45-54 | 15.3% | Nonbinary, prefer not to answer, transgender, other | 1.1% | 60-89 | 21.3% |
| 55-64 | 17.0% | | | 90-119 | 17.3% |
| > 65 | 22.5% | | | 120-149 | 7.4% |
| | | | | 150 and more | 11.5% |
| | | | | Prefer not to answer | 3.3% |

| By Region | | By Ethnicity | | By Religion Attendance | |
|---------------------------|-------|------------------|-------|------------------------|-------|
| British Columbia | 12.5% | African American | 3.8% | Never | 38.6% |
| Alberta | 11.7% | Asian | 16.0% | Rarely | 27.4% |
| Saskatchewan and Manitoba | 7.1% | Hispanic/Latino | 0.9% | Frquently | 13.6% |
| Ontario | 36.2% | Other | 1.8% | Occasionally | 17.4% |
| Quebec | 26.3% | White | 74.2% | Don't know | 0.9% |
| Atlantic Canada | 5.7% | | | Prefer not to answer | 2.0% |
| Northern Canada | 0.6% | | | | |

Through our survey, we seek to measure donor beliefs, feelings, and behavioral intentions toward charity trust and giving. Our report identifies some aggregate findings and explores the heterogeneity of donor perceptions. For instance, in this report we reference results based on age and contribution level to illustrate differences in donor attitudes and gain understanding of the diversity of attitudes toward the sector. We use the self-reported information as provided by survey takers.

While there is no single consistent date range for generational divides, the generational ranges used in this report mirror those used by the Pew Research Center and are shown in Table 3.

Table 3 — Generational ranges

| Generation | Year Born | Age (in 2023) |
|-----------------------------|--------------|---------------|
| Generation Z (18 and older) | 1998 to 2004 | 18 to 25 |
| Millennial Generation | 1981 to 1997 | 26 to 41 |
| Generation X | 1965 to 1980 | 42 to 57 |
| Baby Boomers | 1946 to 1964 | 58 to 76 |
| Matures | 1928 to 1945 | 77 and above |

We recognize there are differences among people within each demographic category. By identifying differences in donor preferences and attitudes across these categories, we aim to find untapped opportunities that support the sector’s efforts to be in tune with the America of the present and future, strengthening the bond between donors and charities.

We know that survey responses reflect donor perceptions and are not an objective measure of the charitable sector’s efforts. Still, understanding donor attitudes toward charities and giving can help identify areas of misinformation and ways to better serve donors, furthering trust in the sector and encouraging increased generosity.

To determine whether a charity is accountable and trustworthy, BBB WGA uses 20 BBB Standards for Charity Accountability, based on charity governance, finances, fundraising practices, and results reporting. BBB WGA produces reports on charities based on these standards, and the reports are available free of charge to the donating public on Give.org. This report aims, in part, to understand disconnects between self-reported triggers and concerted trust criteria. In addition, we hope to identify opportunities that can help the sector build collective trust and succeed in the future.

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About BBB Wise Giving Alliance

BBB Wise Giving Alliance (BBB WGA, BBB's Give.org) is a standards-based charity evaluator that seeks to verify the trustworthiness of nationally soliciting charities by completing rigorous evaluations based on 20 holistic standards that address charity governance, results reporting, finances, fundraising, appeal accuracy, and other issues. National charity reports are produced by BBB's Give.org and local charity reports are produced by local Better Business Bureaus—all reports are available at Give.org.



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