



**To schedule interviews, contact:**

Helen Ng  
(651) 224-7030, ext. 11 (office)  
(612) 770-6849 (cell)  
hng@smartgivers.org

## **NEW CHARITIES REVIEW COUNCIL STUDY REVEALS MINNESOTANS' CONFIDENCE IN CHARITIES INFLUENCES GIVING**

**ST. PAUL, (MINN.)** – While high-profile charity scandals in the past 10 years have threatened the public's trust in charities, a statewide study released this Thursday by the Minnesota-based Charities Review Council at the annual conference of the Minnesota Council of Nonprofits held in Duluth reveals that seven out of 10 Minnesotans have a great deal or a fair amount of confidence in charitable organizations.

The Charities Review Council partnered with the St. Cloud State University Survey to interview adult Minnesotans to understand their level of trust in charities and how it affects their decisions to support charities with time and money. This study, the first of its kind in Minnesota, offers insights for efforts to strengthen the philanthropy that supports the charitable sector. The study was partially funded by a grant from Thrivent Financial for Lutherans.

The study revealed that eight of 10 Minnesotans indicate that their trust in charities influences their giving. Most Minnesotans support oversight of charities. Three times as many people believe that charity watchdog groups should play a larger role than believe government should regulate more than it currently does. Other key findings include:

- **Perceptions and Trust:** A very high percentage (83 percent) of Minnesotans believe that Minnesota charities are ethical. Most Minnesotans believe that charities do a good job running their programs and services. But 58 percent of Minnesotans said that charities waste a great deal or fair amount of money. However, this is fewer than think businesses (68 percent) and the federal government (79 percent) waste a great deal for fair amount of money. The primary obstacle to giving or increased giving is individual donors' financial capacity, followed by distrust that donations will be well spent.
- **Giving Decisions:** Almost all Minnesota households (94 percent) donate something of value, whether money, time, property or stocks, to charities. Half of Minnesotans volunteer for charities. In the past year, four out of five (78 percent) Minnesota households contributed money to a charity other than their religious congregation or their college. Of those Minnesotans who give:
  - More than half (53 percent) give more than 1 percent of their annual incomes to charities;
  - Five percent report giving more than 10 percent of their annual gross income to charities.
  - More than half (61 percent) support primarily Minnesota charities.
  - Half (51 percent) say that organization mission is an important factor in their charitable giving decision-making. Other leading factors listed include charity impact on communities, financial health of the organization, the percentage of funds spent on programs and services, and whether the charity has met standards of accountability.
- **National Comparison:** The survey also compared the perceptions of Minnesotans to those of national respondents in the "Confidence in Charitable Organizations" survey conducted by Paul Light of New York University's Wagner School of Public Service. Minnesotans have similar or slightly better levels of overall confidence in charities and their program management. However, considerably fewer Minnesotans (58 percent) than national respondents (71 percent) believe that charities waste a great deal or fair amount of money.

“Charities depend on the voluntary gifts of private citizens. The data reinforce the notion that public trust drives that giving. Public trust is the lifeblood of charitable giving,” said Rich Cowles, executive director of the Charities Review Council. “Donors have the right to expect that the charities they support will operate responsibly. In Minnesota, the large majority of charities work hard at being accountable, as evidenced by the voluntary participation by over 300 charitable organizations in our review process. We encourage donors to check out those results on our SmartGivers.org Web site before giving, and to request that organizations they are interested in participate in the process,” Cowles said.

The Council’s review process is conducted through its online Accountability Wizard, which Cowles calls an “accountability check-up” for nonprofits. The Accountability Wizard asks questions to determine compliance with the Council’s standards that measure organizational performance in four critical areas: Public Disclosure, Governance, Financial Activity and Fundraising. Council staff then verifies all nonprofit responses. Both small and large organizations have demonstrated their commitment to openness by voluntarily participating in these public reviews. Meeting the Council’s Accountability Standards is an indication that a charity has taken steps to align its structure, policies and procedures with commonly accepted, reasonable expectations of the giving public.

“Public trust is critical for nonprofits to raise the necessary resources to accomplish their missions. The Charities Review Council’s Accountability Wizard is an excellent, accessible tool for nonprofits to demonstrate their accountability. It also helps us perform our due diligence, ensuring that our charitable giving dollars make a positive impact in improving the communities in which we live and work,” said Ellen Goldberg Luger, executive director of General Mills Foundation. “As an increasing number of nonprofits participate, the public will have data at their hands to see that most nonprofits in Minnesota do indeed take steps to meet basic standards and are accountable to their communities. This increased information can only increase trust, and the giving that follows,” Luger said. In 2007, General Mills contributed more than \$82 million through philanthropic giving.

Three Minnesota organizations—the Greater Twin Cities United Way Council of Agency Executives, United Ways of Minnesota, and Community Health Charities Minnesota—have endorsed the use of Accountability Wizard for its member agencies.

The Charities Review Council is a nonprofit organization based in Minnesota with more than 60 years of experience helping the public make informed giving decisions. The Council is the nation’s only statewide independent resource of its kind for donors, offering analytical information about charities, including both local and national organizations. The Council is dedicated to empowering the public in making informed and thoughtful giving decisions, so that donors are reassured to give generously, knowing they can be more effective in helping charities advance their important community work.

The statewide telephone survey was fielded June 18 – 27, 2007, 606 randomly selected adult Minnesotans participated. Conducted by the Survey Research Center at St. Cloud State University, the survey has a margin of error of plus-or-minus 3.9 percent at the 95 percent of confidence level. This means that if this survey were to be replicated 100 times, in at least 95 instances, the results would be within 3.9 percent of those reported here. Respondents who answered “refused to answer” are not included in the data collection, which is standard practice.

For more information or to read the complete survey results, visit [www.SmartGivers.org/Survey](http://www.SmartGivers.org/Survey) and enter password SURVEY or contact the Charities Review Council at (651) 224-7030 (toll-free 1-800-733-GIVE).

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