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Public confidence in charitable organizations stands 10%-15% lower than in the summer of 2001.

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 **Study reveals
productive direction
for 2005 fundraising**

Public confidence in charitable organizations is languishing far below its pre-9/11 level, writes Paul C. Light of New York University in a Brookings Institution research paper.

“Despite hopes that ... confidence would rebound with the mere passage of time,” Professor Light says, “the controversies surrounding disbursement of the September 11 relief funds and subsequent nationally visible scandals ... appear to have left a durable imprint that has yet to fade.”

Light states that just 15% of the Americans he studied expressed “a great deal” of confidence in charities. That put them just ahead of labor unions, TV news, big business, HMOs and Congress — none of them held in general high repute.

Yet the news is not all bad — his research pinpoints a promising theme for 2005 and future fundraising appeals.

The sore thumb that sticks out from the survey results was inefficient spending by nonprofit organizations:

- 70% of the study’s respondents reported that they did not believe that nonprofits used donated money effectively.
- Only 11% of the individuals questioned said they thought charities were spending money wisely.
- 26% of the study participants felt that charities either did a mediocre job in money matters (19%) or managed them “not at all” well (7%).

“Americans do not question whether charitable organizations have the right priorities,” Light writes. However, he says, many people increasingly wonder if nonprofits “have the right organizations and fiduciary systems” to accomplish their missions.

The survey respondents, according to Professor Light’s interpretation, did not assign the highest priority to knowing why they should give to support your cause. Much more important, they want to learn the results of and accountability for their donations.

The survey’s results provide a valuable clue to the areas that effective fundraisers should stress in 2005, and later.

Professor Light advises that nonprofits will not pull themselves out of the current crisis by ... complaining about negative media coverage, or fretting about legislative change. “Rather,” he states, “they need to embrace the call for reform, invest in core operating improvements, and police ... poor performers.”

And they should specify exactly what steps they are taking to do so in their appeals to past, current, and prospective donors.

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