

# **ENGAGING PUBLIC TRUST**

## ***LA FIDELIZZAZIONE DEL DONATORE IN UNA PROSPETTIVA INTERNAZIONALE***

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**DONARE CON FIDUCIA**

# Challenges Due to Global Economic Crisis

## Charity survival strategies.

1. Focus on providing services that meet local needs.
2. Build relations with donors and prominent townspeople
3. Raise money from a variety of sources.
4. Capitalize on timely and newsworthy issues.
5. Collaborate with other organizations

## Decreases in Giving

1. Waiting for clear directions from the stock markets.
2. Reductions by those that are regular givers due to uncertainty in economic conditions and employment insecurity.

# Challenges Due to Economic Crisis

- Losses of value of portfolios.
- Attention to expense side of balance sheet.
  - Closing of charities.
- Mergers of charitable organizations

## Continued Growth in Sector

- Over 1.4 million charities in US.
- Over \$295.02 billion revenues in 2006.
- Over \$222.89 billion given by individuals and families.
  - Over 89% of family units give to charity.
- 44% of all adults volunteer services at a total estimate value of \$239 billion .
- 12.9 million workers employed in the sector.
  - Endowment value totals \$1 trillion.
  - Total expenditures equal \$1 trillion



# Engaging Donors' Trust Through The Heart

## Motives for Giving

- Most research that focuses on philanthropy and charitable giving and volunteering does not deal with religion, religious based charities, and religious motivations for giving and volunteering.

# Philanthropy and Charity

- What are the deepest motives for giving and volunteering?
  - Why should we care about those outside our groups?

# Motivations For Giving to Charity

- Religious motivation is one of the strongest impulses for giving.
- Motivations are directed toward helping the poor and needy.
  - Working toward alleviating the present situation.

# Motivations For Philanthropy

- Supporters of philanthropy see their efforts toward society and the future.
- The efforts and giving are directed toward addressing long-term solutions.

# Motivations For Giving to Charity

- Givers to charity take their model from Jesus and the religious concept of love.
  - Motivations arise from the concept of stewardship.
- Donors are responsible for what they have as agents of God for caring for those less fortunate.

# Motivations For Philanthropic Giving

- Philanthropists take their model from the limited imperatives of ancient Greece and the examples of Prometheus.
- Philanthropy tends to be targeted to narrowly defined causes that address changes in social conditions.
- As such, they require larger financial commitments.
- Recipients tend to be educational, art, and research institutions and organizations.

# The Role of Monitoring and Standards

- The emphasis is not simply between the charity and donor, although that is certainly a major factor.
- But, it also on the idea of transparency to the larger, general public.
- The standards require accredited members to be fully open in their disclosures.

# The Role of Monitoring and Standards

- Charity monitoring standard and independent, or self-regulation monitoring serves a useful purpose for engaging trust between donor and charitable trust.
- However, there is no strong correlation between the role of charity monitoring and promoting loyalty.
- The real benefit of monitoring in the United States relates to public trust in the charitable sector.



# The Role of Monitoring and Standards

- BBB Wise Giving Alliance Preamble to the Wise Giving Alliance Standards:

“To assist donors making sound giving decisions *and to foster public trust in charitable organizations*”

[Emphasis added]

# The Role of Monitoring and Standards

- ECFA Mission Statement:

ECFA is “committed to helping Christ-centered organizations earn the public’s trust through developing and maintaining standards of accountability that convey God-honoring ethical practices.”

[Emphasis added]

# The Role of Monitoring and Standards

- The glue that holds the religious nonprofit sector together in the United States is the religious beliefs and commitments of those charities that seek accreditation and monitoring by ECFA.
- The commitment to adherence to a set of standards and regulatory structure is based on more than simply following a set of rules.

# The Role of Monitoring and Standards

- Monitoring organizations, such as ECFA and IID, are bridges of trust between reliable NGOs and their donors, and by extension between the sector and the public.
- Donor loyalty is undermined by lack of public trust in the sector
- Donor loyalty is also undermined if there is not monitoring that includes enforcement of standards that serves as a counterbalance to what appears in the news.

# The Unique Contribution of ECFA

- Whereas the philosophical model for philanthropy is improving the common good, the ECFA model is based on the concept stewardship.
- Whereas the focus is on raising money in philanthropy, the focus in ECFA is to facilitate stewards to be generous.



# The Unique Contribution of ECFA

- Where the ethical framework within the general public and sector is minimalist, the framework of ECFA is a commitment to Christian values of truth, integrity, and love.
- Where the ideal outcome of the sector is that the donor meets the organizational needs, the ideal outcome for ECFA is that the donor become generous because the donor is trying to honor God.



# The Unique Contribution of ECFA

- Where the general thrust in the sector in its fundraising is manipulative business marketing techniques, in ECFA the thrust is on presenting an opportunity to partner with a particular charity in its called mission.
- With respect to accountability, the general model is the accountability to the organization and to law, in ECFA the ultimate accountability is to God and His eternal values.



# Functions of ECFA Standards and Monitoring

- Provide guidance to charities that want to do what is right and who want to be transparent.
- Ensure compliance with standards and encourage those who are insecure in their leadership of the charity.
- Encourage donors and potential donors in their continued relationship with their chosen charities.

## Conclusion

- Within the ECFA constituency, donor retention runs about 75-80 percent of total number of donors to that organization.
- More important, many of these regular donors increase their level of giving over time.
- Monitoring done by ECFA is of little significance to donor loyalty, except in the case of the loss of the ECFA Seal by the charity due to a noncompliance issue.

IN THE WORDS OF FOREST  
GUMP:

“THAT’S ALL I HAVE TO SAY  
ABOUT THAT.”