

Understanding Public Awareness of Nonprofit Organizations: Exploring the Awareness-Confidence Relationship



Lindsey McDougale, Doctoral Fellows Program 2009

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Research Question

Does awareness of nonprofits impact public confidence?

Brief Abstract

Recent surveys have indicated that public confidence in America’s nonprofit sector has been on the decline. This paper explores the extent to which awareness of the sector influences confidence in the performance of nonprofit organizations. Participants were asked to name local nonprofits and then to rate the ability of the organizations they identified in two specific areas: (a) effectively providing quality services and (b) spending money wisely. The findings from the study indicate that nonprofit awareness varies by several individual characteristics— with those most dependent on nonprofit services being the least aware of the sector.

Key Findings

- ▶ Racial and ethnic minorities, individuals with lower income levels, and those not registered to vote had the most difficulty identifying nonprofits.
- ▶ A lack of nonprofit awareness may result in limited utilization of critical services among those that may need the most nonprofit assistance.
- ▶ Working in the nonprofit sector is not a significant predictor of the level of awareness that individuals have of nonprofits.
- ▶ Nonprofit awareness was the most significant predictor of an individual’s level of confidence in the performance of nonprofit organizations.

Opportunities for Action

- ▶ Instead of putting effort into increasing public confidence in their organizations, nonprofits should emphasize increasing public awareness of their organizations.
- ▶ The ‘hierarchy of effects’ framework, commonly used by for-profit organizations to analyze consumer brand equity, can help nonprofits convert public awareness and confidence into involvement, eg: volunteering/donations/service use.
- ▶ Sector-wide public awareness and education campaigns, which have been quite limited, could be helpful in highlighting the work and accomplishments of nonprofits.

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Understanding public awareness of nonprofit organizations: exploring the awareness–confidence relationship

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- *Public confidence has often been viewed as a critical indicator of legitimacy within the nonprofit sector. Indeed, confidence is believed to be among one of the sector's most important commodities. Surveys, however, have shown that the public does not always have much confidence in the performance of nonprofit organizations. Although this lack of confidence is certainly concerning, few studies have assessed whether the public actually has any awareness of what nonprofit organizations are, and no studies have examined the personal characteristics associated with more (or less) nonprofit awareness. Thus, by using individual-level data from a survey of public attitudes toward nonprofits in San Diego County (n = 1002), the purpose of this study was to explore how individual characteristics relate to nonprofit awareness and to examine the extent to which awareness of the sector influences confidence in the performance of nonprofit organizations. The findings from the study indicate that nonprofit awareness varies by several individual-level characteristics—with many of those likely to be the most dependent on nonprofit services being the least aware of the sector. The findings also indicate that awareness of the sector is the most significant predictor of confidence in the performance of nonprofits.*

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It has long been acknowledged that confidence is an important indicator of legitimacy within nonprofit organizations and among one of the nonprofit sector's most important commodities (Herzlinger, 1996; Salamon, 2002; Schlesinger, Mitchell, & Gray, 2004). Indeed, Salamon (2002) has declared that the entire “edifice of the nonprofit sector” rests on

confidence (p. 19). And, Herzlinger (1996) has suggested that it is largely because of such confidence that we charge nonprofits with responsibility for overseeing some of our most critical societal functions. Despite this important role that confidence plays in maintaining nonprofit legitimacy, a series of national surveys have indicated that public confidence in America's nonprofit sector has consistently been on the decline (Light, 2003, 2004a, 2004b, 2005, 2008). According to some reports, in fact, the percentage of Americans expressing “no”

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confidence in nonprofit performance has nearly doubled in recent years (Light, 2004a; Light, 2004b), and many individuals likely to be the most dependent on nonprofit services have been found to be among the most skeptical of nonprofit performance in many industries (Grønbjerg, 2009; Keirouz, 1998; Schlesinger *et al.*, 2004; Wilson & Hegarty, 1997).

The basis for this lack of confidence, however, may not be entirely accurate. At a time when intersectoral arrangements have become not only efficient but also in many cases necessary for the effective delivery of many nonprofit services, boundary lines between the sectors have become increasingly complex—and, in many instances, indistinguishable (Dees & Anderson, 2003). Indeed, because of the policies of privatization and devolution in the mid-1990s to late 1990s, the role of the nonprofit sector in the delivery of social services dramatically expanded (Alexander, 1999; Allard, 2009; Grønbjerg & Salamon, 2002; Smith & Grønbjerg, 2006; Smith & Lipsky, 1993), and in many instances, nonprofits have now become an alternative to public service delivery (Boris & Steurele, 1999; Wolch, 1999). In fact, much of the responsibility for the implementation and administration of social and welfare programming, which was once a direct responsibility of government, has now been shifted to nonprofit organizations. As a result of this shift, many people are unlikely to know which sector of society provides the services that they receive.

Ultimately, this uncertainty may translate into inaccurate evaluations of how nonprofit organizations perform. Thus, issues of declining confidence in the sector may be less important than issues of declining (or, even lack of) nonprofit awareness. If individuals have limited, or no, awareness of nonprofit organizations, then it will be difficult to believe that their perceptions of the sector *truly* reflect their attitudes about nonprofit performance. Despite this possibility, unfortunately, we know little about public awareness of the sector, or about how this awareness might relate to public perceptions of confidence in how nonprofits perform. Thus, the purpose of this study

is to begin to fill this void in the literature. Specifically, using individual-level data from a survey of public attitudes toward nonprofits in San Diego County ($n = 1002$), this study explores the personal characteristics associated with awareness of nonprofit organizations and then examines the extent to which assessments of the sector in terms of confidence are based on an accurate awareness of what nonprofit organizations even are.

Background and related literature

Confidence is often considered to be a crucial barometer of performance in the nonprofit sector (Sargeant & Lee, 2002; Light, 2003). Light (2003), for instance, has argued that

confidence clearly affects the public's willingness to donate time and money, shapes the political and regulatory environment that governs charitable organizations, and has at least some influence on morale within the charitable workforce (p. 1).

Fukuyama (1995) has made even grander claims that link the health of the nonprofit sector with the functioning of larger society, and Bekkers (2006) has suggested that keeping the public trust is “a necessary condition for the future of philanthropy” (p. 2).

Despite the importance of public confidence to the nonprofit sector, according to a series of national surveys, confidence in America's nonprofit organizations has consistently been on the decline (Light, 2003, 2004a, 2004b, 2005, 2008). Between July 2001 and September 2002, for instance, the percentage of Americans expressing “much” confidence in charities declined from 25% to 18%, whereas the percentage of Americans expressing no confidence at all (“none”) in charitable performance nearly doubled from 8% to 15% (Light, 2004a; Light, 2004b). Subsequent surveys have continued to show a decline in the level of confidence that the public has in charitable institutions (Light, 2004a, 2008). In 2004(a), for instance, Light found that the level of confidence that Americans

expressed in charities stood approximately 10% to 15% lower than the levels expressed in just July of 2001. Additionally, the results from this same survey indicated that only 11% of respondents thought that charitable organizations spent money wisely (which was down from 14% 1 year prior) and just 15% expressed “a great deal” of confidence in charities overall (which was down from 18% only 1 year prior) (Light, 2004a).

There has also been evidence indicating that the level of confidence that individuals place in nonprofit performance varies among sub-groups within the population. For example, many individuals who are often most dependent on nonprofit services—particularly with regard to charitable care—have been shown to be the most skeptical of nonprofits in many industries. Individuals with lower levels of educational attainment have been shown to be less likely to believe that nonprofits are honest and ethical than those with higher levels of educational attainment (Keirouz, 1998), and in a recent survey of public trust in institutions, Grønberg (2009) found that individuals residing in communities that had fewer social and economic resources were less likely to express high levels of trust in the nonprofit organizations located in their neighborhoods.

Overall, these findings have led to warnings of a “crisis of confidence” facing the nonprofit sector (Light, 2003). And, although there has been some evidence to suggest that the overall decline in public confidence may not be supported by longitudinal data (see O’Neill, 2009), scholars and policymakers have continued to focus on the need to build and maintain public confidence in the sector—particularly because increased confidence has been linked to the retention of volunteers and donors, as well as to the development of donor, charity, and beneficiary relationships (Bowman, 2004; Sargeant & Lee, 2002).

Public awareness of nonprofit organizations

Although confidence is certainly an important indicator of legitimacy in the nonprofit sector, the extent to

which the public actually has confidence in the performance of nonprofits is likely to be, in large part, dependent upon whether individuals are even aware of the sector and familiar with how the sector functions. Saxton (2004), for instance, has speculated that issues of confidence are minimal in comparison with whether the public understands how modern-day charities operate and the resources needed to sustain them. Surveys in the UK, for instance, have found that many people readily admit to knowing little to nothing about how charitable organizations are run and managed (Ipsos MORI Social Research Institute, 2008), and a number of studies have shown that individuals are not always aware of the nonprofit organizations that they interact with (Mauser, 1998; Permut, 1981; Van Slyke & Roch, 2004)—even when they interact with these organizations on a relatively frequent basis (Handy *et al.*, 2010).

In light of findings such as these, it can be assumed that as distinctions between the sectors increasingly blur as a result of devolution and intersectoral arrangements (Dees & Anderson, 2003), not only will the public continue to have limited understanding of how nonprofit organizations operate, but the public will also have greater difficulty identifying nonprofit organizations from organizations in other sectors of society. Ultimately, this may cause greater difficulty for the public in knowing where, and how, to place their confidence. As Schlesinger *et al.* (2004) have argued that

As growing numbers of nonprofit organizations become involved in the delivery of newly created services (Powell & Owens-Smith, 1998), experimentation with unprecedented hybrids that combine nonprofit and for-profit arrangements (Gray, 1991; Kramer, 2000), or serve newly emerging populations or social needs (Diaz, 2002), the conventional public image of nonprofit activity can become ever more discordant with the evolving nature of the sector. (p. 674)

It is perhaps no surprise, then, that many individuals are simply unaware of what exactly constitutes

a nonprofit organization. Schlesinger *et al.* (2004) found in their survey experiment on public legitimacy in health care organizations that nearly one-third of respondents had difficulty providing a coherent definition of the term *nonprofit*. Moreover, Light (2004b) found in a survey assessing public confidence in charitable performance that when asked to state what the term *charitable organization* meant, nearly half of respondents could not (or would not) provide a definition. In both surveys, individuals who demonstrated greater nonprofit awareness were considerably more likely to express higher confidence in nonprofit performance.

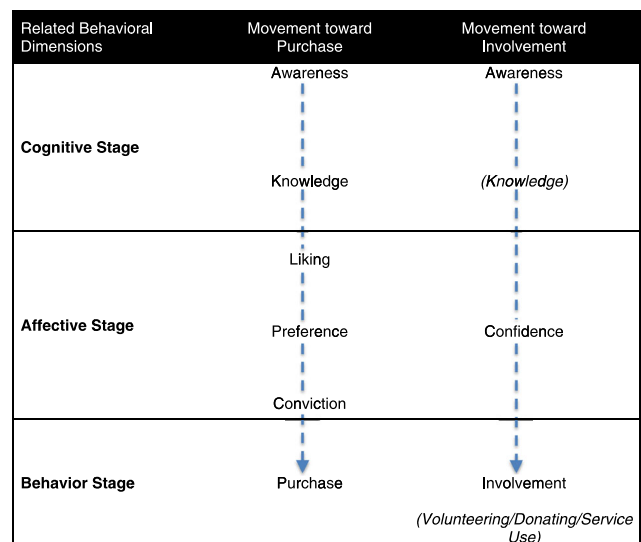
Understanding nonprofit awareness through hierarchy of effects

Typically applied in the context of advertising, the hierarchy of effects framework provides a theoretical basis for our understanding of why greater awareness might lead to greater confidence in the nonprofit sector (Cobb-Walgren, Ruble, & Donthu, 1995; Agarwal & Rao, 1996; Yoo & Donthu, 2001; Keller & Lehmann, 2003). The framework, which proposes a sequential process of cognitive (i.e., thinking), affective (i.e., feeling), and conative (i.e., doing) consumer decisions and actions, suggests that brand equity—that is, the value that a brand holds for the products and services that it accompanies—is developed through a consumer learning process whereby consumers’ awareness of a brand leads to their subsequent attitudes toward the brand (e.g., perceived quality and brand associations). These attitudes ultimately influence the consumer’s degree of brand loyalty (Lavidge & Steiner, 1961; Konecnik & Gartner, 2007).

The first, and arguably most important, step in the framework (brand awareness) refers to whether consumers can recall or recognize a brand. This awareness is related to the strength of the brand’s presence in the consumer’s mind (Aaker, 1996). Consumers who have limited or no awareness of a

brand are less likely to select a brand on the basis of loyalty considerations. Once awareness is gained, however, consumers are then able to develop knowledge of a product that will lead them closer to making a purchase a decision. When these principles are extended to an analysis of public confidence in the nonprofit sector, awareness of nonprofit organizations is likely to form the cognitive basis from which more affective (e.g., confidence) and conative (e.g., volunteering and donating) behaviors occur. If individuals are unaware of what nonprofit organizations are, then their level of attachment to the sector, and ultimately their perceptions of confidence in nonprofit organizations, is likely to be weaker than those who hold greater awareness (Figure 1).

Despite the importance of awareness, we know relatively little about the predictors of nonprofit awareness or about the magnitude of the awareness–confidence relationship. The only study, to date, exploring these issues has shown that declining confidence in the sector can be traced to a limited public understanding of nonprofit enterprise and that, not surprisingly, individuals with higher levels of



Source: Adapted from Lavidge & Steiner (1961).

Figure 1. Advertising hierarchy of effects model with extension to nonprofit sector.

education and those who work in the nonprofit sector tend to have more awareness of nonprofit ownership (Schlesinger *et al.*, 2004). Beyond these findings, our understanding is quite limited. As a result, we know little about the specific demographic profiles that should be targeted in our attempts to raise public awareness of the nonprofit sector—awareness that could, in turn, lead to more favorable perceptions of nonprofit performance. Thus, the present study is intended to add to the limited literature in this area by exploring the personal characteristics associated with nonprofit awareness and then examining the extent to which awareness of the sector influences confidence in the performance of nonprofit organizations.

Data and variables

The data used in this study come from an individual-level survey of public attitudes toward nonprofit organizations in San Diego County. The survey contained questions on a variety of issues including public awareness of nonprofit organizations, public confidence in the sector, volunteerism and donating behaviors, and a number of demographic characteristics and personal attributes. The survey questions were developed, and adapted, on the basis of prior surveys of public confidence in nonprofits (Keirouz, 1998; Light, 2003, 2004a, 2004b, 2005; Wilson & Hegarty, 1997).

The population for the survey included all residents of the county who were 18 years of age and older ($n = 1002$). The survey was conducted from 08 November 2007 to 09 January 2008 and was administered using computer-assisted telephone interviewing (CATI) technology. CATI is an interactive front-end computer system that aids interviewers in asking questions over the telephone. CATI is a useful tool in survey research as it allows interviewers to perform multiple tasks of interviewing, data entry, and simple coding simultaneously (Groves & Mathiowetz, 1984). The average length of the interviews was approximately 20 min, and depending on

the preference of each respondent, surveys were conducted in either English or Spanish. The overall response rate was 33%, and the cooperation rate was 78%.¹

Dependent variables

Three dependent variables were included in the analysis: a binary indicator of public awareness of nonprofit organizations and two binary indicators of public confidence in the nonprofit sector. Given the dichotomous nature of these variables, a series of logit regression models were estimated using Stata (v. 12, StataCorp LP, College Station, TX).

Nonprofit awareness

To establish the levels of nonprofit awareness, at the beginning of the survey following the introduction, quota screenings, and consent process, respondents were asked an unaided “top-of-mind awareness” question. Top-of-mind awareness has frequently been used in studies of commercial brand awareness and has been described as the ability of an individual to immediately access or identify a brand from memory when asked (see, for instance, Hoyer & Brown, 1990). In this survey, respondents were asked: “When you think about local San Diego County nonprofit organizations, which ones come to mind? Please tell me the first three organizations that come to mind.” In order to verify the accuracy of responses, online search engines (e.g., Google) were used to check the responses, and telephone calls were placed to the organizations identified (as needed). Awareness was then assessed as *lower*

¹Cooperation rates are the number of completed interviews out of the number of contacted eligible respondents, calculated as $I/(I+P+R)$. Response rates are the proportion of completed interviews out of the total number of eligible respondents, calculated as $I/((I+P)+(R+NC+O)+e(UH+UO))$. The refusal rate was 16%, calculated as $R/((I+P)+(R+NC+O))$, where I = complete interviews, P = partial interviews, R = refusals, terminations, and break-offs, NC = noncontact, O = other, UH = unknown household eligibility, and UO = unknown other (American Association for Public Opinion Research, 2009).

nonprofit awareness (coded as “0”), where respondents could not, or would not, correctly identify any nonprofit organizations when asked or could only correctly identify one nonprofit organization when asked, and as *higher nonprofit awareness* (coded as “1”), where respondents could correctly identify two or three nonprofit organizations when asked.

Nonprofit confidence

O’Neill (2009) has suggested that questions of general confidence (e.g., *how much confidence do you have in nonprofits?*) are ill suited to adequately evaluate the level of confidence that the public has in nonprofit organizations. Broad and ambiguous questions, he argues, may result in one person stating their level of confidence in one area of nonprofit performance and in another person stating their level of confidence in an entirely different area of nonprofit performance. Thus, making comparisons across respondents is difficult. In this study, therefore, public confidence in the nonprofit sector was measured as public perceptions of the ability of local nonprofit organizations in two specific areas: (a) effectively providing quality services and (b) spending money wisely. Respondents who indicated that they had “none” or “not too much” confidence in either area were coded as having *lower nonprofit confidence* (“0”), whereas those who indicated that they had “a fair amount” or “a great deal” of confidence in either area were coded as having *higher nonprofit confidence* (“1”).

Independent variables

A number of personal background characteristics were included in the analyses that have been shown to influence public perceptions of nonprofit performance (Keirouz, 1998; Light, 2003, 2004a, 2004b, 2005, 2008; McDougale & Lam, 2013; Wilson & Hegarty, 1997). These included age, measured as a continuous variable; employment status (coded as employed “1” or not employed “0”), a variable indicating whether the respondent was employed in the

nonprofit sector (coded as yes “1” or no “0”); and income, measured on a seven-category scale ranging from less than \$25 000 to \$150 000 or more. For the purposes of this analysis, income was treated as a continuous variable. Educational attainment was measured as a three-category variable representing high school education or less, some college education, or college graduate or more. Race was measured as a dichotomous variable (with racial and ethnic minorities coded as “0” and Whites coded as “1”). Gender was coded as female “0,” and male “1.” The number of children in the household was measured as a count variable, and marital status was coded as “1” married or living with a partner or as “0” not married.

Personal attributes included ideological factors relating to political party affiliation and religious affiliation. Both of these variables have been shown to influence public attitudes toward, and involvement in, nonprofit organizations. Political party affiliation, for instance, has been shown to influence the level of support that individuals express toward the nonprofit sector (Keirouz, 1998; Wilson & Hegarty, 1997), whereas involvement in religious activities has been shown to influence public involvement in the sector (Wilson, 2000). Political party affiliation was measured as a categorical variable representing democrat, republican, “other” political affiliation, or not registered to vote. Religious participation was measured using a proxy indicator of no religious affiliation (i.e., “none” coded as “0”), or some form of religious affiliation (coded as “1”).² **Table 1** provides an overview of each of the variables used in the analysis.

²Unfortunately, the survey did not include an actual measure of involvement in religious activities. We therefore used religious affiliation as a proxy indicator of religious involvement. Although this measure clearly has limitations (e.g., simply because an individual self-identity with a religious tradition says nothing about frequency of attendance), we make the assumption that those who affiliate with a religious tradition are more likely to have, at some point in their lives, attended a religious service—and, as a result, these individuals are more likely to have some familiarity with religious institutions, which are generally nonprofit organizations.

Table 1. Means of main variables

	Mean	SD	Range	<i>n</i>
Dependent variable(s)				
Nonprofit awareness	0.71	0.46	0-1	1002
Nonprofit confidence (services)	0.86	0.35	0-1	968
Nonprofit confidence (money)	0.75	0.44	0-1	955
Independent variables				
Age	52	17	18-93	991
Male	0.50	0.50	0-1	1002
Educational attainment				
High school or less	0.21	0.41	0-1	1001
Some college	0.37	0.48	0-1	1001
College graduate or higher	0.41	0.49	0-1	1001
Married/partner	0.63	0.48	0-1	955
White	0.58	0.49	0-1	1002
Number of children	0.78	1.21	0-7	999
Employed	0.59	0.49	0-1	998
Employed (nonprofit)	0.10	0.29	0-1	1002
Income	3.12	1.71	1-7	927
Political affiliation				
Democrat	0.27	0.44	0-1	947
Republican	0.34	0.78	0-1	947
Other	0.17	0.38	0-1	947
Not registered	0.22	0.42	0-1	947
Religious	0.90	0.31	0-1	982

Findings

Table 2 displays odds ratios and predicted probabilities for predictors of nonprofit awareness. As shown, similar to Schlesinger *et al.* (2004), greater educational attainment is positively associated with the level of awareness that individuals have of nonprofit organizations. In particular, when using high school education or less as the reference group, those with at least *some* college education are more than two times as likely to have greater nonprofit awareness ($e(\beta) = 2.24$; $p = 0.000$), whereas those with a college degree or more are nearly four times as likely to have greater nonprofit awareness ($e(\beta) = 3.81$; $p = 0.000$). Unlike Schlesinger *et al.* (2004), however, the findings in this analysis show that working in the nonprofit sector is not a significant predictor of the level of awareness that individuals have of nonprofits.

Table 2. Logistic regression model—predictors of nonprofit awareness

	$e(\beta)$	Δ Predicted probability
Age	1.01 (0.01)	0.002
Male	0.95 (0.17)	-0.011
Some college	2.24** (0.49)	0.148
College graduate +	3.81** (0.94)	0.242
Married	1.29 (0.26)	0.051
White	1.97** (0.38)	0.133
Number of children	1.00 (0.08)	-0.001
Employed	0.80 (0.16)	-0.044
Employed (nonprofit)	1.43 (0.45)	0.064
Income	1.16* (0.08)	0.029
Democrat	0.94 (0.24)	-0.012
Other	0.53* (0.14)	-0.133
Not registered	0.26** (0.07)	-0.292
Religious	1.30 (0.35)	0.054
<i>n</i>	875	
Log likelihood	-421.76	
LR χ^2 (14)	234.64	

Note:

LR, likelihood ratio.

High school degree or less is the reference group for educational attainment. Republican is the reference group for political affiliation. Catholic is the reference group for religious affiliation.

Missing data were deleted listwise. Standard errors presented in parentheses.

Change in the predicted probability of nonprofit awareness for an increase of one unit in each independent variable for continuous and count variables (age, number of children in household, and income), while holding all other independent variables constant at their means.

Change in the predicted probability of nonprofit awareness for an increase from the minimum to the maximum in each independent variable for dichotomous variables, while holding all other independent variables constant at their means.

* $p < 0.05$; ** $p < 0.001$.

The findings in **Table 2** also show that Whites tend to have more awareness of nonprofit organizations than non-Whites ($e(\beta) = 1.97$; $p = 0.001$) and that those with higher income levels are more likely to have greater awareness of nonprofit organizations as well, by approximately 16% ($e(\beta) = 1.16$; $p = 0.031$). Finally, the results in **Table 2** show that those who are not registered to vote and those who identify with an independent or other political party are both significantly less likely to have greater awareness of nonprofit organizations ($e(\beta) = 0.26$; $p = 0.000$ and $e(\beta) = 0.53$; $p = 0.016$, respectively).

Table 3 displays odds ratios and predicted probabilities for individual-level predictors of nonprofit confidence. In the first column of the table, the findings show that college graduates, those who are married/living with a partner, and Whites, are all more likely to have greater confidence in the ability of nonprofit organizations to effectively provide quality services ($e(\beta) = 2.04$; $p = 0.020$; $e(\beta) = 1.58$; $p = 0.048$; and $e(\beta) = 1.77$; $p = 0.017$, respectively). The findings also show that compared with those who do not affiliate with a religious tradition, those who self-identify with some form of religious practice are more likely to express greater confidence in nonprofit performance in this area as well ($e(\beta) = 2.21$; $p = 0.005$). Age is negatively associated with greater nonprofit confidence in this area; however, the findings are only marginally significant. Moreover, the substantive significance of the finding is low ($e(\beta) = 0.99$; $p = 0.056$).

In the second column of **Table 3**, when including nonprofit awareness as a predictor of public confidence in the ability of nonprofits to effectively provide quality services, the findings show that those who have greater nonprofit awareness are nearly three times more likely to express greater confidence in the performance of nonprofit organizations in this area than those who have lower nonprofit awareness ($e(\beta) = 2.80$; $p = 0.000$). In particular, for those with greater awareness of nonprofit organizations, when all other variables are held at their mean values, the probability of expressing greater confidence is 13.1 percentage points higher

than that of those with lower nonprofit awareness. The findings in this column also show that with the exception of age and religious affiliation, the significance of the other variables in the model decreases considerably.

In the third and fourth columns of **Table 3**, estimates are displayed for predictors of public confidence in the ability of nonprofit organizations to spend money wisely. As shown in the third column, college graduates and those who self-identify with a religious tradition are again more likely to express greater confidence in the performance of nonprofit organizations in this area of performance ($e(\beta) = 2.54$; $p = 0.000$ and $e(\beta) = 1.90$; $p = 0.011$, respectively). Interestingly, those who work in the nonprofit sector are actually less likely to express greater confidence in the performance in the ability of nonprofit organizations to spend money wisely—this result, however, is only marginally significant ($e(\beta) = 0.63$; $p = 0.092$).

In the final column of **Table 3**, when nonprofit awareness is included as an independent variable in the analysis, those with greater awareness of nonprofit organizations are nearly two times more likely to express greater confidence in the ability of nonprofit organizations to spend money wisely ($e(\beta) = 1.98$; $p = 0.001$). Moreover, for those with greater awareness of nonprofit organizations, when all other variables are held at their mean values, the probability of expressing greater confidence in the performance of nonprofits is 13.0 percentage points higher than that of those with lower nonprofit awareness. The findings in this column also show that college graduates, those who identify with a religious tradition, and those not registered to vote are all more likely to express greater confidence in the performance of nonprofit organizations to spend money wisely as well ($e(\beta) = 2.18$; $p = 0.003$; $e(\beta) = 1.87$; $p = 0.014$; and $e(\beta) = 1.79$; $p = 0.038$, respectively).

Discussion

It has often been said that public confidence shapes public perceptions of legitimacy within the nonprofit

Table 3. Logistic regression models—predictors of nonprofit confidence

	Confidence (services)				Confidence (money)			
	$e(\beta)$	Δ Predicted probability	$e(\beta)$	Δ Predicted probability	$e(\beta)$	Δ Predicted probability	$e(\beta)$	Δ Predicted probability
Nonprofit awareness			2.80*** (0.66)	0.131			1.98*** (0.39)	0.130
Age	0.99 [†] (0.01)	-0.002	0.98* (0.01)	-0.002	0.99 [†] (0.01)	-0.002	0.99 (0.01)	-0.002
Male	1.05 (0.22)	0.006	1.06 (0.23)	0.007	0.83 (0.14)	-0.033	0.84 (0.14)	-0.032
Some college	1.05 (0.28)	0.006	0.89 (0.25)	-0.013	1.41 (0.32)	0.061	1.27 (0.29)	0.042
College graduate +	2.04* (0.63)	0.078	1.59 (0.51)	0.049	2.54*** (0.64)	0.160	2.18** (0.56)	0.134
Married	1.58* (0.36)	0.054	1.51 [†] (0.35)	0.046	1.18 (0.23)	0.031	1.15 (0.22)	0.026
White	1.78* (0.42)	0.067	1.58 [†] (0.39)	0.051	1.36 (0.26)	0.056	1.26 (0.25)	0.042
Number of children	1.00 (0.10)	-0.002	1.00 (0.10)	0.000	1.03 (0.08)	0.006	1.03 (0.08)	0.006
Employed	0.94 (0.23)	-0.007	0.98 (0.24)	-0.003	1.14 (0.23)	0.024	1.17 (0.24)	0.029
Employed (nonprofit)	1.20 (0.45)	0.020	1.11 (0.42)	0.011	0.63 [†] (0.18)	-0.093	0.59 [†] (0.17)	-0.103
Income	0.92 (0.07)	-0.009	0.90 (0.07)	-0.012	0.97 (0.06)	-0.005	0.95 (0.61)	-0.009
Democrat	1.36 (0.39)	0.033	1.39 (0.41)	0.034	1.39 (0.32)	0.057	1.39 (0.32)	0.057
Other	0.78 (0.23)	-0.031	0.85 (0.26)	-0.018	0.99 (0.24)	-0.003	1.05 (0.26)	0.009
Not registered	1.10 (0.36)	0.010	1.47 (0.50)	0.038	1.46 (0.39)	0.065	1.79* (0.50)	0.095
Religious	2.21** (0.63)	0.113	2.20** (0.64)	0.108	1.90** (0.48)	0.130	1.87** (0.48)	0.126
<i>n</i>	846				834			
Log likelihood	-331.02				-448.98			
LR χ^2 (14)	28.80				34.49			
<i>n</i>			846				834	
Log likelihood			-321.55				-443.21	
LR χ^2 (15)			47.73				46.02	
LR test: LR χ^2 (1)			18.94***				11.53***	

Note:

LR, likelihood ratio.

High school degree or less is the reference group for educational attainment. Republican is the reference group for political affiliation. Catholic is the reference group for religious affiliation.

Missing data were deleted listwise. Standard errors presented in parentheses.

Change in the predicted probability of nonprofit awareness for an increase of one unit in each independent variable for continuous and count variables (age, number of children in household, and income), while holding all other independent variables constant at their means.

Change in the predicted probability of nonprofit awareness for an increase from the minimum to the maximum in each independent variable for dichotomous variables, while holding all other independent variables constant at their means.

[†] $p < 0.10$; * $p < 0.05$; ** $p < 0.01$; *** $p < 0.001$.

sector. Indeed, Sargeant and Lee (2002) have suggested that “the concept of trust lies at the heart of charity” (p. 68), and Light (2003) has argued that

confidence clearly affects the public's willingness to donate time and money, shapes the political and regulatory environment that governs charitable organizations, and has at least some influence on morale within the charitable workforce (p. 1).

Despite the importance of confidence, studies have shown that public perceptions of the nonprofit sector are not always based on an accurate awareness of what nonprofit organizations are. Thus, the purpose of this study was to examine the predictors of nonprofit awareness and explore the awareness-confidence relationship.

The findings from the study revealed that nonprofit awareness varies by a number of individual-level characteristics. Specifically, racial and ethnic minorities, individuals with lower income levels, and those not registered to vote were all *more* likely to have greater difficulty identifying nonprofit organizations when asked to do so. Although this difficulty could certainly be indicative of many things, it should raise serious concerns for nonprofit organizations that specifically target their services to these populations. Indeed, a lack of nonprofit awareness may result in limited utilization (or, even no utilization) of critical services among those that may be the most in need of nonprofit service assistance. Kissane (2003), for instance, found that a lack of familiarity with nonprofits was one of the primary barriers preventing poor women in low-income neighborhoods of Philadelphia from using nonprofit social service providers.

The findings from this study also revealed that a lack of nonprofit awareness has important implications in terms of how individuals view the nonprofit sector. Specifically, as proposed by the hierarchy of effects model, nonprofit awareness (i.e., the cognitive dimension of brand loyalty) was the most significant predictor of an individual's level of confidence in the performance of nonprofit organizations

(i.e., the affective dimension of brand loyalty). Individuals who demonstrated higher levels of nonprofit awareness were two to three times *more* likely to express higher levels of confidence in the ability of nonprofits to spend money wisely and in the ability of nonprofits to provide quality services, respectively.

What can be gleaned from these findings from a marketing and an advertising perspective? Two things seem clear. First, if certain groups of individuals have limited or no awareness of nonprofit organizations, then their assessments of the sector are likely to be ill formed. Thus, understanding who has an awareness of the sector, and who does not, is an important first step to accurately assessing public belief in nonprofits. Second, sector-wide efforts targeted at increasing levels of confidence in the nonprofit sector may be less important than efforts that *should be* targeted at increasing nonprofit awareness. For-profit organizations have long utilized a hierarchy of effects framework to analyze consumer brand equity—with an understanding that brand awareness is the foundation upon which all elements of brand loyalty are based. If consumers have limited or no awareness of a brand, then they will be less likely to base purchase decisions on information related to the brand. Although an extension of this framework to the nonprofit sector seems logical, previous studies examining public confidence in the nonprofit sector have rarely focused on awareness as a key determinant of the public's confidence. Yet, as the findings from this study have clearly shown, awareness of nonprofits is critical to generating public confidence in the sector.

Overall, the findings from this study provide useful information for those in the nonprofit marketing and advertising fields. However, the findings are also useful to understand within the context of the current policy environment. Nonprofit organizations are often believed to have both “the organizational capacity and connections to local communities” that are needed in order to “deliver responsive and effective social services in a cost-efficient way” (Trudeau, 2008, p. 2806). Thus, government has continued to devolve responsibility for the

implementation and administration of many social and welfare programs to the nonprofit sector. However, if the public is unaware of nonprofits and of the services that these organizations provide, then the ability of nonprofits to truly serve as an effective alternative to the delivery of these services is called into question.

Limitations and directions for future research

Although the findings from this study are important, there are a number of limitations that should not be overlooked. First, the study relies on countywide data from San Diego. Thus, the relevance of these findings in other regions of the country—as well as in international contexts—is uncertain. Future research in this area should consider expanding the geographic scope of analysis, and even undertaking comparative analyses of nonprofit awareness in differing locales. Additionally, given that the measure of nonprofit awareness used in this study did not ask respondents about whether they interacted with the organizations that they identified, it is uncertain exactly how, or why, individuals have a familiarity with certain organizations (more so than others). The fact that better educated and more affluent respondents had greater nonprofit awareness may be as a result of their having greater interactions with the nonprofit sector—whether through volunteering for, or donating to, nonprofit organizations. In future studies, it would be beneficial to know exactly how individuals gain familiarity with the nonprofit organizations that they identify.

Two other important limitations of this research should also be considered. First, although the hierarchy effects framework proposes that consumer awareness will lead to consumer knowledge during the cognitive stage of the decision-making process, in the present study, there were no measures of whether individuals actually had an understanding of how nonprofit organizations operate or any knowledge of the sector. Therefore, future research

should consider not only the level of nonprofit awareness that individuals have but also the level of subsequent knowledge that they have of the sector as well. Second, this study focused only on the first and second steps in the hierarchy of effects framework—cognitive and affective dimensions. Future research should consider how these steps ultimately affect individuals' involvement in nonprofit organizations. Despite these limitations, the findings from this study provide convincing evidence that increased awareness of the nonprofit sector is likely to lead to more favorable perceptions of nonprofit organizations. This is a finding that should be of great interest to those working to increase legitimacy within the nonprofit sector. Indeed, public education campaigns aimed at increasing nonprofit awareness, and increasing public understanding of how nonprofit organizations operate, may be much more effective (and, perhaps even simpler) than efforts aimed at trying to convince the public of why they should have confidence in nonprofit performance.

Unfortunately, sector-wide public awareness and education campaigns have been limited. The only large-scale campaign, to date, occurred from 1996 to 1999 in response to federal legislation intended to restrict public contributions to nonprofit organizations. At that time, the independent sector developed a public awareness campaign highlighting the work and accomplishments of nonprofits. The initiative, *Giving Voice to Your Heart*, resulted in the development of several information toolkits that were distributed to more than 10 000 individuals (Robert Wood Johnson Foundation, May 2002). Since this initiative, there have been few efforts aimed at increasing awareness of the nonprofit sector on such a wide-scale—though, a need still exists. Indeed, as Saxton (2004) has argued

nonprofits need to act now...if they are to close the gap in public understanding and bring their stakeholders with them. Failure to do so will result in an increasingly cynical and disenfranchised public and a foundation of support built on sand, not rock (p. 190).

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