

While many of us have tried to grab some vacation time this summer, two of the leading voices focused on the NFP sector issued important reports. BoardSource released its June 2021 *Leading with Intent: BoardSource Index of Nonprofit Board Practices*, and Independent Sector issued *Trust in Civil Society: Understanding the factors driving trust in nonprofits and philanthropy*. A brief discussion on each of these reports, including excerpted key findings, follows but we encourage you to access the full reports to identify the data most relevant to your organizations.

## Leading with Intent

Released in late June, this year's report is BoardSource's ninth since the initial study in 1994. While BoardSource emphasizes that the survey of CEOs and board chairs of public charities was completed in June 2019, before the outbreak of the pandemic, we believe the key findings, other insights and data remain relevant despite the pandemic's significant impact on virtually all not-for-profit organizations. BoardSource notes that the report "creates opportunities to compare and contrast" the perspective of chief executives and board chairs but perhaps understates the value of that unique aspect of the survey data. For example, the question on the "Boards impact on defining strategic priorities" saw 35% of CEOs and 52% of board chairs answering "very positive". That differing perspective as well as the survey's empirical data should provide almost all organizations – not only public charities – with some information that can inform or even drive discussions about governance, including the very important chief executive and board chair relationship.

## Trust in Civil Society

In July, Independent Sector, in partnership with Edelman Data & Intelligence, released its second annual report on the status of trust, which Independent Sector sees as the nonprofit sector's "most valuable asset". Online surveys were conducted from April 29 – May 18, 2021. The surveys delineate the nonprofit sector into two categories – nonprofit organizations and philanthropy (corporate giving, private foundations, or high net worth individuals engaged in philanthropic efforts).

Independent Sector asserts that "the public's belief that nonprofits will 'do the right thing' is one of the central reasons the sector exists." The criticality of trust – whether in a relationship, the workplace, a community, government and other institutions, or society – and its decline has been widely discussed and studied. While the report concludes that nonprofits and philanthropy are not immune to the trend of declining trust in institutions, there is some good news in the survey results. For example, 84% of respondents are confident in the ability of nonprofits to help strengthen society and nearly two-thirds expressed confidence in philanthropy's ability to do the same. Given the importance of trust, it is worth remembering that every interaction is an opportunity to create or enhance trust and presents a risk that trust will be diminished.

## Contact Information

R. Matthew Frank, CPA  
Office Managing Partner  
matt.frank@pragermetis.com  
703.821.0702 / Ext. 12001

Scott D. Davis, CPA  
Principal  
scott.davis@pragermetis.com  
703.821.0702 / Ext. 12002

Brian D. Sackstein, CPA  
Partner  
bsackstein@pragermetis.com  
212.643.0099 / Ext. 10553

### KEY FINDINGS

1. Boards are disconnected from the communities and people they serve.
2. Boards that prioritize fundraising above all else when it comes to the board's role do so at the expense of organizational strategy, relevance, and impact.
3. Boards and executives should reflect on what is prioritized in terms of board expectations and how time is spent.
4. The board chair's leadership in ensuring that there are clear expectations of board service seems to matter most when it comes to the board's overall culture.

Source: 2021 BoardSource [Leadingwithintent.org](https://www.boardsource.org/leadingwithintent)

### KEY FINDINGS

1. Institutional trust is declining – and nonprofits and philanthropy are not immune to this trend.
2. Trust disparities deepen and align with broader social trends.
3. Public confidence in the sector as a force for good remains.
4. Civic action and trust reinforce one another.
5. Greater engagement breeds trust.
6. Purpose and integrity fuel trust in individual nonprofits, but sector drivers are less clear.

Source: July 2021 [independentsector.org](https://www.independentsector.org)