



Indiana Local Government Officials and the Nonprofit Sector Report Series

Indiana Local Government Officials' Trust in Nonprofits

Kirsten Grønbjerg, Zoe Bardon and Elizabeth McAvoy

Briefing Number Thirteen, Fall 2022

Indiana Intergovernmental Issues Study

In this briefing, we examine how local government officials (LGOs) assess their trust in nonprofits and various institutions “to do the right thing,” and how these assessments have changed from 2012 to 2020. It is part of a series on government trust in nonprofits in Indiana from the [Indiana Nonprofits Project: Scope and Community Dimensions](#) (see previous briefings on this topic: [Fall 2014](#) and [Spring 2016](#)). Other briefings have examined nonprofit-government relations, major disasters, and payments in lieu of taxes (PILOTs).

The data for these briefings come from periodic surveys by the *Indiana Advisory Commission on Intergovernmental Relations* (IACIR) on issues affecting local governments and residents in Indiana. We rely mainly on data from the 2020 survey but include comparisons to the 2012 and 2014 surveys¹ and data from other sources

Why is Trust Important?

Nonprofits often deliver complex services that are difficult for outsiders to evaluate. Trust—the belief that nonprofits will “do the right thing”—may therefore encourage LGOs to include nonprofits in a variety of collaborative arrangements (including contracting), dissuade them

Quick Facts:

- Local government officials (LGOs) interact with many different types of institutions, including nonprofits, businesses, and other levels of government. When LGOs are asked how frequently they trust these institutions, LGOs have consistently ranked nonprofits the highest.
- Over the 2012, 2014, and 2020 surveys, LGOs report trusting nonprofits “to do the right thing” significantly more frequently than federal and state governments and local businesses.
- LGOs trust nonprofits more frequently if they view their personal involvement with nonprofits is important to their job as an LGO, if they report that their community is headed in a positive direction, and if they believe nonprofits are important to the functioning of local government.
- LGOs are less likely to trust nonprofits if their community faces more problematic conditions (as reported by LGOs).

from imposing troublesome regulations on nonprofits, and generally make contracting

¹ The IACIR surveyed 1,148 local government officials (LGOs) in 2010 (effective response rate of 35%), 1,185 in 2012 (effective response rate of 35%), 2,441 in 2014 (effective response rate of 26%), and 2,002 in 2020 (effective response rate 31%). See <https://iacir.ppi.iupui.edu/publications.htm>.

relations simpler and less costly. For nonprofits, being trusted partners of local government greatly facilitates their ability to operate effectively in local communities. Trust – and good connections with local government – is also likely to increase their legitimacy with donors and other community institutions.

In this report, we focus on how LGOs assess trust in local nonprofits, local businesses, and a wide range of governmental institutions. Our recent report examined a very closely related issue – how LGOs assess working relations with the same set of institutions.² Both trust and working relations became a particularly important for LGOs in 2020, as they worked with a wide variety of other institutions to mitigate the impact of the COVID-19 pandemic. Undoubtedly, the pandemic tested LGO's trust in various institutions, perhaps strengthening their trust in some and weakening others. We are not able to test that question directly, but the timing of survey may be relevant.

The survey, on which this report is based, was launched February 25, 2020, more than a month before Indiana the entire state was declared a major disaster area because of the pandemic on April 3rd. By the time data collection for the survey ended on August 13th, Indiana communities were deeply affected by the devastating economic, social, and health impacts of the pandemic.

It is possible that LGOs who responded to the survey after April 3rd would evaluate trust in other institutions differently than those who responded prior to the date. We therefore

explore whether there appears to be significant differences in how LGOs assess trust depending on when they completed the survey. We also discuss what impact the COVID-19 pandemic might have on this report's findings.

How do LGOs Assess their Trust in Various Institutions?

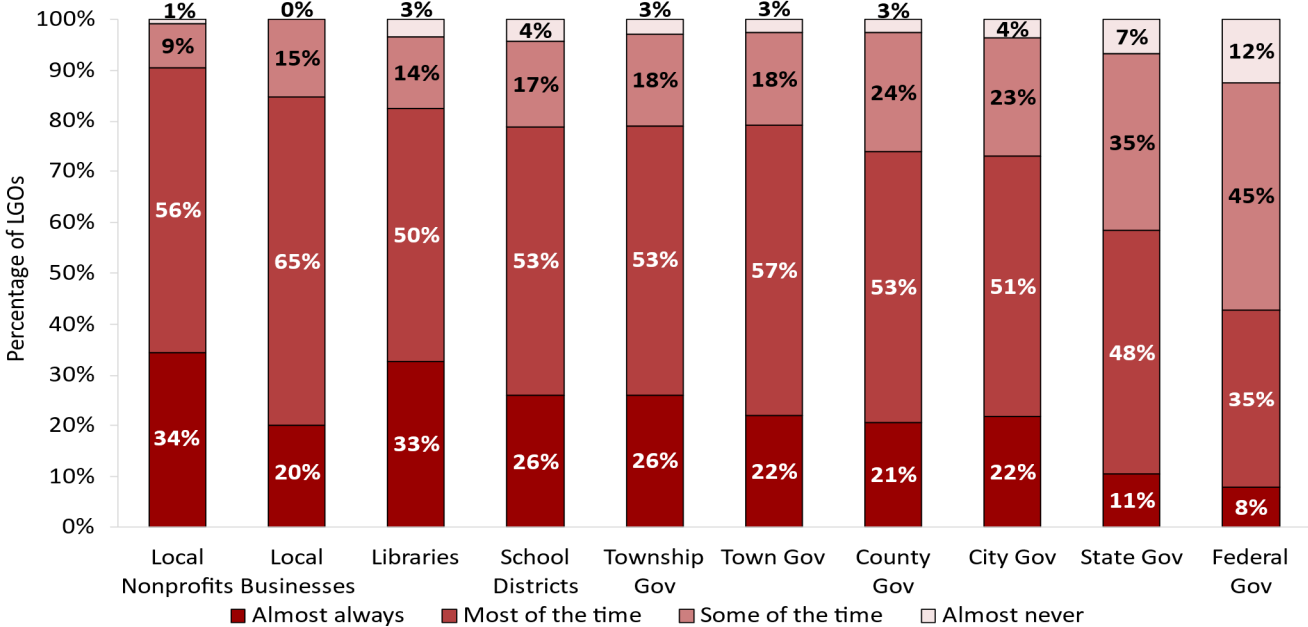
The 2020 survey of Indiana LGOs included a question asking LGOs to assess how frequently they trust federal, state, city, county, town, township governments, school districts, public libraries, local businesses, and local charities and other nonprofits “to do the right thing.” Response options ranged from 1 (almost never) to 4 (almost always).

A large majority of LGOs in 2020 trust almost all institutions – all but the federal government – to “do the right thing” almost always or most of the time. Figure 1 shows that 90 percent of LGOs trust nonprofits most of the time or almost always. The level of LGO trust is also high for local businesses and libraries (85 and 83 percent, respectively); school districts, township governments, and town governments (all 79 percent); and county and city governments (74 and 73 percent, respectively).

The extent to which LGOs trust the remaining two institutions almost always or most of the time is considerably less – 59 percent for state government and only 43 percent for the federal government. Notable percentages of LGOs trust state and federal governments some of the time (35 and 45 percent, respectively). However, 12 percent said they almost never trust the federal government, compared to 7 percent

² *Indiana Local Government Officials' Opinions on Working Relationships with Nonprofits*, by Kirsten A. Grønberg, Zoe Bardon and Elizabeth McAvoy. Indiana Local Government Officials and the Indiana Nonprofit Sector Report Series, Briefing Number Twelve, April 2022. Bloomington, IN: Indiana University O'Neill School of Public and Environmental Affairs. DOI: 10.13140/RG.2.2.18107.69923

Figure 1: LGOs' Assessment of Trust in 2020 (n=486 -532)

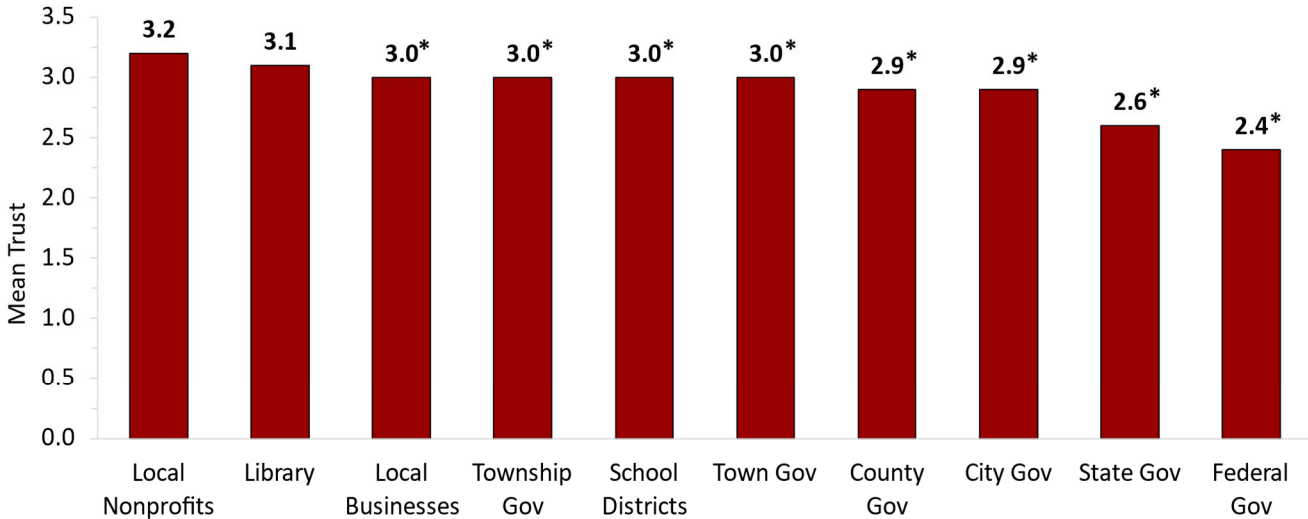


for state government and 4 percent or less for all other institutions.

Perhaps these different levels of trust reflect the fact that LGOs have more opportunities to interact with local institutions. As we found in our previous report on working relationships,

LGOs also rate working relationships with local institutions, particularly nonprofits, higher than those with the state and federal government. Not only are the state and federal levels of governments working at larger scales than LGOs, but LGOs have much less influence on,

Figure 2: LGOs' Average Assessment of Trust in Varying Institutions in 2020 (n=486 -532)



*Trust is significantly lower for institution than it is for nonprofits.

particularly the federal government. As a result, LGOs are likely to find themselves at the receiving end of policy changes that they may not have anticipated, or that they believe do not meet the needs of their communities – hence contributing to a lack of trust.

To facilitate further analysis, we computed the average trust rating for each of the ten institutions included in Figure 1, where 4 is almost always and 1 is almost never. As Figure 2 shows, nonprofits receive the highest average score (3.2) on the 4-point trust scale. They are followed closely by libraries (3.1); local businesses, township governments, school districts, and town governments (all 3.0); and county and city governments (both 2.9). State and federal governments have the lowest averages (2.6 and 2.4 respectively).

To see whether the onset of the COVID-19 pandemic might have influenced trust in particular institutions, we compared the average trust score for that institution for LGOs who completed the survey before April 3 to those who completed it after that date. There were no significant differences between the average before and after trust scores for any of the ten institutions.

Because we are particularly interested in how LGOs assess their trust in nonprofits, we also examine how the high average score for local charities and nonprofits compares to the average scores for the nine other institutions. Local nonprofit average trust scores were not significantly different from libraries. However, trust ratings for local nonprofits were significantly

higher than all the remaining institutions: local businesses, school districts, township, town, county, city, state, and federal governments.

How has LGOs' Trust Changed Over Time?

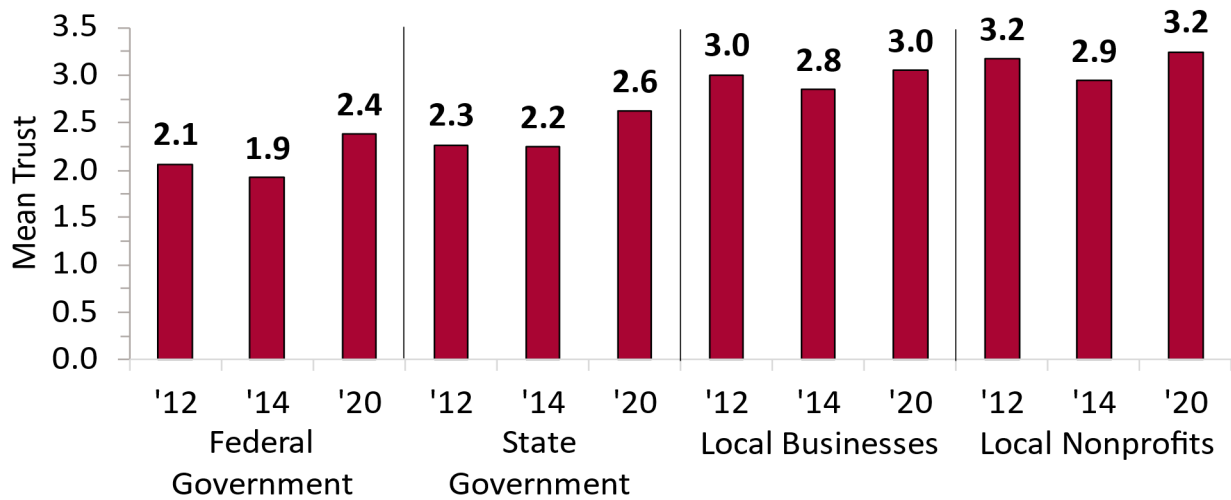
Since two prior IACIR surveys included almost identical questions about the extent to which LGOs trust various institutions, we can track how LGO assessment of trust has changed across three points in time: 2012, 2014, and 2020.³ We were particularly interested in looking for any significant changes between 2020 and prior years, since the pandemic may have tested trust and overall relationships.

However, the scope of institutions included in the surveys has increased over time and only the 2020 survey included the full set of institutions listed above. Those in 2012 and 2014 asked about trust in three types of local institutions (local nonprofits, local business, and local government) as well as state and federal government. In 2020 a much more detailed list of units of local government was specified in the survey. It is problematic at best to draw comparisons between any of those units and the generic reference to “local government” in the prior surveys. As a result, we focus on examining how LGO trust in local nonprofits, local business, and the state and federal governments has changed over time.

Figure 3 shows average LGO trust in the four types of institutions in 2012, 2014 and 2020. One pattern visually stands out – regardless of institution, the average level of trust appears to be lower in 2014 than in 2012 or in 2020. However, the apparent drop from 2012 to 2014

³ *Indiana Government Officials and Trust in Nonprofits*, by Kirsten A. Grønberg and Kellie McGiverin-Bohan, with Angela Gallagher, Lauren Dula, and Rachel Miller. Indiana Local Government Officials and the Indiana Nonprofit Sector Report Series, Briefing Number Four, Spring 2016. Bloomington, IN: Indiana University O’Neill School of Public and Environmental Affairs.

Figure 3: LGOs' Average Assessment of Trust Over Time with Federal Government, State Government, Local Businesses, and Local Nonprofits (n=380-539)



is only significant for nonprofits, down from 3.2 in 2012 to 2.9 in 2014, although it is borderline significant also for local businesses ($p < .10$).⁴

The across the board increases in average trust scores from 2014 to 2020 are significant for all four institutions. The more modest increases over the entire period, from 2012 to 2020, are still significant for the federal government – up from 2.1 in 2012 (1.9 in 2014) to 2.4 in 2020 and for state government – up from 2.3 in 2012 (2.2 in 2014) to 2.6 in 2020. However, that is not the case for LGO trust in local nonprofits and local businesses – in both cases, trust increased significantly only from 2014 to 2020.

Average assessment of trust in local nonprofits increased from 2.9 in 2014 to 3.2 in 2020, but as noted above, the 2014 average was significantly lower than in it had been in 2012. By 2020, local nonprofits had regained the level of trust LGOs had in them in 2012 (3.2 in both years). A similar pattern holds for local

businesses, although the only significant difference is from 2014 (2.8) to 2020 (3.0). The decrease in average trust from 2012 (3.0) to 2014 (2.8) is only borderline significant.

As noted earlier, in 2020 LGOs rated nonprofits with the highest scores for trust (3.2) and have consistently done so in each of the three prior surveys. We take now take a closer look at whether LGOs trust nonprofits significantly more than the other institutions in a particular survey year. Table 1 shows the result. We flag difference by “+” if LGOs on average trust nonprofits significantly more than the other institutions, and by “(+)” if the difference is only marginally significant. The cell is left blank if the difference is not statistically significant.

Across the three surveys, it is apparent that nonprofits have maintained their comparative advantage over other institutions. Even when nonprofits lost enough of their trust lead in 2014 to not differ significantly from trust in

⁴ Differences in sampling errors may also be a factor. The IACIR sample size increased from 380-384 in 2012 to 533-539 in 2014, and while the sample size did not change much from 2014 to 2020, higher percentages of mayors and school board members responded in 2020.

local businesses, the difference was still marginally significant. And by 2020, average trust in nonprofits was again significantly higher than trust in business

Table 1

Whether Trust in Nonprofits are Significantly More Positive Than Trust in Various Institutions (for 2012, 2014, and 2020)

Types of Institutions	2012	2014	2020
Local Businesses	+	(+)*	+
State Gov	+	+	+
Federal Gov	+	+	+

* Difference is only borderline significant

What Explains LGOs’ Trust in Nonprofits?

In the remainder of this report, we examine what may explain the extent to which LGOs trusted nonprofit and other institutions in 2020. We focus on several groups of explanatory factors that we think may predict how much LGOs trust nonprofits “to do the right thing.” We also compare how these explanatory patterns for LGO trust in nonprofits are similar to or different from the trust LGOs have in the remaining institutions for which we have data in the 2020 survey.

To simplify our analysis, we used statistical analysis to determine whether there are underlying clusters among LGO trust scores for the eleven institutions.⁵ We found two clusters. Much like what we found for our analysis of working relationships, LGOs that trust nonprofits are also very likely to trust local businesses, schools and libraries.⁶ The second cluster

includes federal, state, county, city, town, and township governments. LGOs that trust one of these institutions are also very likely to trust the other institutions in that cluster. We refer to this second cluster as *general purpose governments* and to the first cluster as *other local institutions*.

We examine a range of explanatory factors to see how each relates to trust in nonprofits, trust in other local institutions (nonprofits, local businesses, schools, and libraries), and trust in general purpose governments (federal, state, county, city, town, and township governments). Because we look at LGO trust in nonprofits both by itself and as part of “other local institutions” we expect these two sets of patterns to be quite similar.

We consider three groups of explanatory factors. The first focuses on information about the LGOs themselves: the type of position they hold, how long they have held office, and their personal involvement with nonprofits. The second group focuses on the communities LGOs represent: various indicators of community conditions and the scope of nonprofits in the county. For this second group, we rely partly on LGO responses to the 2020 IACIR survey, but also include county-level information about each LGO’s community.

The third group of explanatory factors focuses on the extent and nature of LGO interactions with nonprofits. This includes measures of nonprofit grants and contracting relationships and LGO assessments about the importance of nonprofits to local governments and vice versa. We

⁵ We used factor and reliability analysis to form the two groupings.

⁶ *Indiana Local Government Officials’ Opinions on Working Relationships with Nonprofits*, by Kirsten A. Grønbjerg, Zoe Bardon and Elizabeth McAvoy. Indiana Local Government Officials and the Indiana Nonprofit Sector Report Series, Briefing Number Twelve, April 2022. Bloomington, IN: Indiana University O’Neill School of Public and Environmental Affairs. DOI: 10.13140/RG.2.2.18107.69923

also include how LGOs assess nonprofit preparedness for major disasters because LGOs who think nonprofits are well-prepared may be more likely to trust nonprofits. Lastly, we include a measure of the strength of working relationships between LGOs and nonprofits.

Below we examine how these three groups of explanatory factors are related to how much LGOs' trust nonprofits, other local institutions including nonprofits, and general purpose governments. We follow that by looking at which of these remain important predictors, when we allow all of them to operate at once in multivariate analyses. For the latter analysis, we include also a control for survey completion date. This allows us to determine whether the extent of trust in a particular institution is related to whether LGOs responded to the survey before or after April 3, once we control for the explanatory factors outlined above. (Only significant factors are included in Tables 2, 3, and 4. See Appendix B for the full list of explanatory factors considered.)

LGO Characteristics and Involvement with Nonprofits

First, we consider the type of position LGOs hold in local government (e.g., mayor, school board member, county commissioner) because some LGO positions are more likely to interact with nonprofits than others. We also include multiple measures of LGOs' length of service in local government.

In addition, we include measures of LGOs' personal involvement with nonprofits, since those involved more intensively with nonprofits, or with more nonprofits, or who rate their involvement as more important, may also trust nonprofits (and perhaps also other institutions) more than their counterparts. We consider whether the LGO has previously or currently holds a leadership position, volunteer role, or membership in a nonprofit and explored variation of such involvement.⁷ Additionally, we include a variable to capture the number of different types of nonprofits LGOs are involved in.⁸ Finally, we include LGOs responses to a question about how important their nonprofit

⁷ The five different variations of being involved in nonprofits as a leader, member, or volunteer: the mean of being currently active in a nonprofit as a leader, member, or volunteer, the total number of LGOs that are involved in nonprofits through the three roles, whether the LGO is involved in a nonprofit in any role, whether the LGO is involved in nonprofits in two out of the three roles, and whether the LGO is involved in nonprofits as a leader, member and volunteer. For our multivariate analysis, we determined that a dummy variable, whether a LGO is currently involved in a nonprofits through all means (leader, member, and volunteer), was as effective in capturing this dimension as other options we explored. The five different variations of being involved in nonprofits as a leader, member, or volunteer: the mean of being currently active in a nonprofit as a leader, member, or volunteer, the total number of LGOs that are involved in nonprofits through the three roles, whether the LGO is involved in a nonprofit in any role, whether the LGO is involved in nonprofits in two out of the three roles, and whether the LGO is involved in nonprofits as a leader, member and volunteer. For our multivariate analysis, we determined that a dummy variable, whether a LGO is currently involved in a nonprofits through all means (leader, member, and volunteer), was as effective in capturing this dimension as other options we explored.

⁸ The survey question captured twelve types of nonprofits: (1) arts and culture, (2) sports, recreational and sports, (3) education and research, (4) health, (5) social services, (6) environment and animal protection, (7) economic and community development, housing, employment and training, (8) law, advocacy and politics, (9) philanthropic institutions and promotion of voluntarism, (10) business and professional associations, including unions, (11) religious institutions, and (12) other. For brevity, we computed the sum to discuss in the report. For brevity, we are only including the summation of all eight variables in the body of this report. To see these specific variables significance, see Appendix B.

involvement is to their work as an LGO.

A number of these factors are significantly related to LGOs’ trust in nonprofits (see column 2 in Table 2), although only one type of LGO

position appears to be significant. County commissioners are significantly less likely to trust nonprofits than LGOs holding other positions (see Panel A in Table 2 and Appendix A, Figure A.1).

Table 2
Significant Bivariate Predictors of Trust in Various Institutions, 2020:
LGO Characteristics and Nonprofit Involvement

Explanatory Factors	Nonprofits	Other Local Institutions, including Nonprofits	General Purpose Governments
A. LGO Characteristics			
County Commissioner	-	-	
School Board Member		+	-
Township Trustee		-	+
Years Worked in Another Elected Position			+
B. LGO Nonprofit Involvement			
Currently Holds a Leadership Position in a Nonprofit	+		
Currently a Member of a Nonprofit	+		+
Involved in Nonprofits in at Least One Capacity: Member, Volunteer, or Leader	+		
Involved in Nonprofits in at Least Two Capacities: Member, Volunteer, or Leader	+	+	+
Involved in Nonprofits in All Three Capacities: Member, Volunteer, and Leader	+		
Average Involvement as Member, Volunteer, and/or Leader in Nonprofits	+		
Summation of Involvement in Different Types of Nonprofits	+		
Believes that Involvement in Nonprofits is Important to the Job of an LGO	+	+	+

Several indicators of LGO personal involvement with nonprofits are important (see Panel B in Table 2). Thus, LGOs who are currently active as a nonprofit member or leader are significantly more likely to trust nonprofits (for details see Appendix A, Table A.1). The same holds for LGOs involved in nonprofits in at least one role

(volunteer, member, or leader), in at least two roles, or in all three roles. In each case, they are significantly more likely to trust nonprofits than their counterparts (Appendix A, Table A.2). On average, the more nonprofit positions an LGO fills, the more the LGO trusts nonprofits (see Appendix A, Table A.3).

We also checked for involvement with specific types of nonprofits. We find that LGOs are significantly more likely to trust nonprofits if they have been or are currently involved with a higher number of the eight different nonprofit types we asked about (see Appendix A, Table A.4). Lastly, we include a measure of how important LGOs believe their involvement in nonprofits is to their role as a local elected official. If LGOs believe their involvement in nonprofits is important to their job as an LGO, they are significantly more likely to trust nonprofits (see Appendix A, Figure A.2).

When we examine trust in nonprofits as part of the other local institutions cluster (local nonprofits, businesses, schools, and libraries), two other explanator factors are significant, but others are no longer significant. School board members are significantly more likely and township trustees are less likely to trust this broader cluster of other local institutions (Appendix A, Figure A.3), but not nonprofits by themselves. Of the various ways LGOs are personally involved with nonprofits that were significant for trust in nonprofits, only two remain important in predicting trust in other local institutions. LGOs, who are currently involved in nonprofits in two of the three capacities (member, leader, and volunteer) or who say that nonprofit involvement is important to their LGO position, are significantly more likely to trust other local institutions (see Appendix A, Table A.5 and Figure A.2 respectively).

When considering trust in general purpose governments, there are both similarities and differences. LGOs who are school board members are less likely to trust general purpose government while township trustees are more likely to do so. Both patterns are opposite of what we found for other local institutions (see Appendix

A, Figure A.2). LGOs who have spent more time in another local elected position are significantly more likely to trust general purpose governments (see Appendix A, Table A.6), but this was not a factor for trust in nonprofits or other local institutions.

We had not expected the various indicators of LGO nonprofit involvement to be important for trust in general purpose governments, as they are for trust in nonprofits. But three of them are. If the LGO is involved in nonprofits in at least two capacities (member, volunteer, and leader) or believes that their involvement in nonprofits is important to their LGO work, they are significantly more likely to trust general purpose governments (same as for other local institutions). They are also significantly more likely to trust general purpose governments if they are currently a member of a nonprofit

Community Conditions and Scope of Nonprofits

Next, we consider a variety of community factors that may impact LGOs trust in various institutions. We include two indicators from the IACIR survey. The first measures whether LGOs view their community's conditions across a broad range of indicators as a major, moderate, or minor/no problem. The second measures how optimistic LGOs are about the overall direction of their community, from very optimistic to very pessimistic.

In addition to data from the IACIR survey, we include several external, county-level measures of community challenges. They include the percent unemployed in May of 2020 and the percent of adults aged 25 and older without a high school diploma. We also consider a social vulnerability index (SVI) developed by the Center for Disease Control (CDC) to identify communities likely to face major challenges from exter-

nal stresses, such as natural disasters or disease outbreaks.⁹ We thought the SVI would be particularly relevant as LGOs faced decisions about how to address the impact of the COVID-19 pandemic in 2020.

Finally, we looked at two other county-level measures: whether the LGOs county is a rural, suburban, or central city county and the scope of nonprofits. Larger communities are likely to have more and bigger nonprofits. Nonprofits with more resources may present complicated power dynamics and make trusting local nonprofits difficult. But such nonprofits may be better able to build connections to, and trust with, LGOs. We explored several measures of these indicators of nonprofit scope, but only two are significant in the bivariate analysis.¹⁰

community conditions that appear to be significantly related to LGO trust when examined individually at the bivariate level of analysis. The patterns are consistent. LGOs are significantly less likely to report trust in nonprofits, other local institutions, and general purpose governments if they view current community conditions as more problematic (see Appendix A, Figure A.4). Correspondingly, LGOs are significantly more likely to report trust in nonprofits, other local institutions, and general purpose governments if they are optimistic about the direction of their community (see Appendix A, Figure A.5). Curiously, LGOs are significantly more likely to trust general purpose governments if a higher percentage of county residents do not have a high school diploma (see Appendix A, Table A.7).

Table 3 summarizes the indicators of

Table 3
Significant Bivariate Predictors of Trust in Various Institutions, 2020:
Community Conditions and Scope of Nonprofits in County

Explanatory Factors	Nonprofits	Other Local Institutions, Including Nonprofits	General Purpose Governments
A. Community Conditions			
Problematic Community Conditions	-	-	-
Direction the Community is Heading	+	+	+
Percentage of County Population Aged 25 or More Without High School Diploma			+
B. Scope of Nonprofits			
Total Number of Non-501(c)(3) Nonprofits Reporting Assets in 2019 in County	+		
Total Number of Non-501(c)(3) Nonprofits Reporting Revenue in 2019 in County	+		

⁹ See <https://atsdr.cdc.gov/placeandhealth/svi/index.html>.

¹⁰ We explore two ways to measure scope of nonprofits: total number of nonprofit charities with reporting addresses in the county, registered under the IRS tax section 501(c)(3), and the average aggregate revenue reported by those charities. The indicators are highly skewed, so we use the natural log value. They are also highly correlated with one another, so we explore alternative models, including first one and then the other. The log value of the average aggregate revenue of C3 nonprofits provides the more powerful predictor of trust, so we use that in our final model.

Two measures of the scope of nonprofits are significant. LGOs are significantly more likely to trust nonprofits if the total number of non-501(c)(3) nonprofits reporting assets in 2019 is higher. This is also true if the total number of non-501(c)(3) nonprofits reporting revenue in 2019 is higher (see Appendix A, Table A.8)

Interactions Between Local Government and Nonprofits

We turn now to the last group of explanatory variables – measures of ways in which local government interacts with nonprofits – to see whether and how they are related to LGO trust. Several of these concern more or less formal collaborations between local government and nonprofits. Other research has shown that, compared to other types of vendors, public officials monitor nonprofit contracts less and award them longer-term and more complex contracts because they trust nonprofits more.¹¹ To explore this possibility, we include whether LGOs report that their unit of local government awards grants and contracts to nonprofits and

the average ratings of how important they say different considerations are when doing so.¹² We also include a measure of the extent to which local governments rely on nonprofits for various activities when responding to major disasters.¹³ We believe these types of collaborations may both create trust and reflect level of trust by LGOs.

In addition to grants and contracts, we include several measures to capture a broader set of interactions between local government and nonprofits. This includes how important LGOs say nonprofits are to local governments on five different dimensions and how important they say local governments are to nonprofits on four of those dimensions.¹⁴ For brevity, we include an average score of importance of nonprofits to local government and local government to nonprofits. To see each importance factor individually, see Appendix B, Panel F.

We also consider how strong LGOs say their working relationships are with nonprofits and whether LGOs assess nonprofits and churches

¹¹ *Government Contracts with Private Organizations: Are There Differences Between Nonprofits and For-Profits?* by Eva M. Witesman and Sergio Fernandez. *Nonprofit and Voluntary Sector Quarterly* 42, no. 4 (August 2013): 689–715. <https://doi.org/10.1177/0899764012442592>.

¹² Eight considerations when awarding grants and contracts were asked included in the survey: (1) nonprofit service capacity (volume), (2) quality of nonprofit services, (3) effectiveness of nonprofit services, (4) client access to nonprofit services (location, fees), (5) cost efficiency of nonprofit services, (6) costs of creating/managing effective contract systems, (7) challenges in monitoring nonprofit service performance, and (8) difficulties in communicating with nonprofit contractors. They form a single scale, so for brevity, we included the average in the body of the report. To see the specific significance of these variables, see Appendix B, Section D.

¹³ The IACIR survey asked how much the LGOs' local government relies on nonprofits for: (1) participating in community emergency response teams, (2) meeting the immediate needs of local residents during disaster response, (3) meeting the long-term needs of local residents during recovery from disaster, (4) raising philanthropic support to meet community needs after disasters, and (5) coordinating volunteers responding to disasters. The variable included in this report is the average of the five responses. For more details, see *Indiana Local Government Officials' Assessment of Disaster Preparedness and Reliance on Nonprofits for Response*, by Kirsten A. Grønbjerg and Elizabeth McAvoy. Briefing Number Eleven, July 2021. Available at <https://nonprofit.indiana.edu/research-results/local-government-officials-survey.html>.

¹⁴ The five variables asked how important nonprofits are (on a 5-point scale) to local government for their (1) financial support, (2) service capacity, (3) expertise, knowledge, and technical assistance, (4) reputation and legitimacy, and (5) policy support and influence. The question about how important local government is to nonprofits asked about the same dimensions, except for service capacity. For brevity, we included the averages in the body of the report. To see the specific significance of these variables, see Appendix B.

in their county to be well-prepared for the impact of serious disasters. We assume more positive assessments of nonprofits on these broader dimensions would be associated with more trust in nonprofits. Finally, as noted earlier, we explored whether LGOs who responded to the survey before April 3 differed in the extent to which they trusted a particular institution compared to those who responded after

that date. We found no such differences

Table 4 shows which of the explanatory factors on interactions between local government and nonprofits are important at the bivariate level in predicting trust in nonprofits (first column), other local institutions, including nonprofits (second column), and general purpose government (third column).

Table 4
Significant Bivariate Predictors of Trust in Various Institutions, 2020: Interactions Between Local Government and Nonprofits

Explanatory Factors	Nonprofits	Other Local Institutions, including Nonprofits	General Purpose Governments
A. Nonprofit Grants and Contracts			
Average Importance of the Eight Factors When Awarding Grants and Contracts to Nonprofits	+	+	+
Average Reliance on Nonprofits for Emergency Response		+	+
B. Importance of Nonprofits to Local Governments and Local Governments to Nonprofits			
Average Importance of Nonprofits to Local Governments	+	+	+
Average Importance of Local Governments to Nonprofits	+	+	+
C. Broader Interactions			
Working Relationships with Corresponding Institution(s)	+	+	+
Nonprofits Disaster Preparedness	+	+	+
Religious Orgs. Disaster Preparedness	+	+	+

For trust in nonprofits (column 1), Panel A shows that the average of the eight explanatory factors related to grants and contracts are all positively related to LGO trust nonprofits (see Appendix A, Figure A.6).¹⁵ For Panel B, we only include the average of the factors of import-

ance of nonprofits to local government officials and vice versa. Panel B shows that if the LGO view nonprofits as important to local governments, they are significantly more likely to trust nonprofits (see Appendix A, Figure A.7). The same pattern holds if LGOs say local govern-

¹⁵ Whether LGOs had ever contracted with nonprofits made no significant impact on trust in nonprofits or the two other clusters.

ments are important to nonprofits (see Appendix A, Figure A.8).

Panel C shows that several of the measures of broader interactions are also important. LGOs who report positive working relationships with nonprofits are significantly more likely to trust them (see Appendix A, Figure A.9). The same holds for the corresponding institutions when LGOs report positive working relationships with other local institutions or with general purpose governments (see Appendix A, Figures A.10 and A.11 respectively).

This is likely a mutually reinforcing process: community partners who work well together may come to trust one another, and those who trust each other likely have an easier time working together and resolving issues. Both positive working relationships and trust allow for fewer obstacles, less need for oversight, and overall smoother communication. Additionally, LGOs who report that local nonprofits or religious institutions are well prepared for natural disasters are significantly more likely to trust nonprofits (see Appendix A, Figures A.12 and A.13, respectively). All of the explanatory factors that are significant for trust in nonprofits are also significant for trust in other local institutions and general purpose governments.

One additional factor is important for trust in other local institutions and trust in general purpose governments. LGOs who say their level of government rely more on nonprofits for emergency response services are significantly more likely to trust these other two types of institu-

tions (see Appendix A, Figure A.14), but the relationship is only borderline significant for trust in nonprofits.

What Explains LGOs' Trust in Nonprofits in the Overall Analysis?

Thus far, we have examined individual explanatory factors' impact on predicting how frequently LGOs trust nonprofits and the two clusters of institutions: other local institutions (including nonprofits) and general purpose governments. We turn now to a more comprehensive analysis where we consider which factors remain (or become) significant when we allow all of them to operate at once, including whether LGOs completed the survey before April 3.

However, some of the explanatory factors we examined above are variations of each other (e.g., the importance of local government to nonprofits on each of the four dimensions and the average importance of local government to nonprofits). To avoid duplication and inappropriate variable interactions, we use average or combined scores, when possible. This also minimizes the number of explanatory factors, making for a more efficient statistical model.¹⁶

In our final analysis, we consider two multivariate models. The first model – our basic model – includes the explanatory factors considered above, or summated versions of them. In the second model – the expanded model – we control also for LGO trust in other institutions.¹⁷ We do so to compensate for the absence of data on the personal characteristics of the

¹⁶ Some of our predictors are categorical variables. To include them in the analysis, we need to convert them to dummy variables, so they have a meaningful numeric value (usually 1 or zero). For LGO position, we treat each type of position as its own dummy variable – as a position that the LGO holds (coded = 1) or doesn't hold (coded = 0). However, we have to exclude at least one type of position from the analysis to avoid multicollinearity,

¹⁷ When analyzing for trust in nonprofits, we control for general purpose government. We also control for general purpose government when analyzing other local institutions and other local institutions for general purpose government.

LGOs. This is an important omission, because we know from other studies that personal characteristics such as people’s age, gender, race or ethnicity, and education or profession of people are important predictors of an individual’s trust in nonprofits.¹⁸ By controlling for trust in institutions other than the one or set we are considering, we hope to capture the underlying trust tendency of responding LGOs. We discuss each of the models below.

Base Multivariate Model

Table 5 presents the findings from Model 1 that includes all the predictors (or summated versions of them) discussed earlier, including whether the LGO survey was completed before April 3, when all of Indiana was declared a disaster area. The table below includes only those factors that are significant in the model, controlling for factors included in the analysis. For full statistical details for all factors included in this multivariate analysis, see Appendix C (Tables C.1, C.3, C.4, and C.5).

Table 5
Base Model: Multivariate Analyses of Trust in Nonprofits and Two Clusters of Institutions
Indiana Local Government Officials, 2020

Explanatory Factors	Nonprofits	Other Local Institutions, including Nonprofits	General Purpose Governments
Township Trustee			+
School Board Member			—
Believes that Involvement in Nonprofits is Important to the Job of an LGO	+	+	+
Direction that the Community is Headed	+	+	+
Problematic Community Conditions	—	—	—
Social Vulnerability Index		+	+
Central Metropolitan County			—
Average Importance of Nonprofits to Local Governments	+		
Overall Significance Level	P<.001	P<.001	P<.001
Number of Cases	327	335	335
Adjusted Proportion of Variation Predicted	.082	.123	.222

Notes: Factors that are significant at the p.05 level in the overall prediction equation are **bolded in red**. Several factors in this analyses were not significant for either of the three models and have been omitted from in this table: city council members; county council members and commissioners; involved in nonprofit(s) as a member, volunteer, and leader; survey complete before April 3rd, 2020; tenure in all elected positions; town council members; average revenue of IRS-registered 501(c)(3) charities; ring metropolitan counties; average importance of the eight factors when awarding grants and contracts to nonprofits; average importance of local governments to nonprofits; nonprofit disaster preparedness.

¹⁸ *Are Nonprofits Trustworthy?* by Kirsten A. Grønberg (Bloomington, IN: Indiana University School of Public and Environmental Affairs, February, 2009). Available online at <https://nonprofit.indiana.edu/doc/publications/trustsurvey2008.pdf>, accessed September 4, 2022. Independent Sector, *Trust in Civil Society: Understanding the factors driving trust in nonprofits and philanthropy*. 2022. Available online at <https://independentsector.org/wp-content/uploads/2022/07/Trust-Report-Independent-Sector-May-19-2022-1.pdf>, accessed September 4, 2022.

Column 1 shows which factors are significant in predicting trust in nonprofits, column 2 significant factors that predict trust in other local institutions (including nonprofits), and column 3 factors which predict trust in general purpose governments. Each of the analyses are highly significant ($p < .001$). However, we can explain only a modest percent of the variance for trust in nonprofits (8 percent) and in other local institutions (12 percent), although a more notable 22 percent of the variance for trust in general purpose government.

Only four of the predictors included in the model are significant for predicting LGO trust in nonprofits and in other local institutions (including nonprofits). However, the count increases to seven predictors for LGO trust in general purpose government. A comparison of the three columns shows some consistency across the three types of institutions in terms of which factors remain significant in the final analysis, but there are some differences.

LGO Characteristics. Trust in nonprofits and in other local institutions do not vary by type of position the LGO holds, but trust in general purpose government does. LGOs who are township trustees are significantly more likely to trust general purpose government, while school board members are significantly less likely to do so than mayors (the excluded category). Of the personal involvement predictors, only one is important: LGOs who say their involvement in nonprofits is important to their job as an LGO are significantly more likely to trust nonprofits, trust other local institutions and trust general purpose governments.

Community conditions. Trust also appears to be related to community conditions. LGOs are

significantly more likely to report trusting all three institutional groupings if they are optimistic about the direction of their community. Conversely, they are significantly less likely to trust all three types of institutions if they see their community facing more problematic conditions.

Both indicators reflect LGO perceptions and may be somewhat subjective. A more objective indicator – the social vulnerability index¹⁹ – is significant, but only for other local institutions and general purpose government, not for nonprofits. It is positively related to trust in those two types of institutions, but that is controlling for the two subjective indicators. Finally, LGOs from central city metropolitan counties are significantly less likely to trust general purpose government, but the relationship is not significant for the two other types of institutions.

Local Government - Nonprofit Interactions. Only one of the several indicators of interactions between local government and nonprofits is significant. LGOs with a high average rating of nonprofit importance to local governments are significantly more likely to report trusting nonprofits. However, the relationship is not significant for trusting other local institutions or trusting general purpose government.

Expanded Multivariate Model

As noted above, we created a second multivariate model – an expanded model – to compensate for having no information on the personal characteristics of LGO. To do so, we include an indirect measure of generalized trust – LGO average trust in institutions not examined in the analysis. In this expanded model, fewer indicators are significant than in the basic model, but

¹⁹ Note that the social vulnerability index was not significant in the bivariate analysis.

the percent of variance explained is notably higher.

Table 6 shows the results of the multivariate analyses when trust for other institutions is included as a control factor. For full statistical details for all factors included in this model, see Appendix C (Tables C.2, C.6, C.7, C.8).

Each of these analyses are highly significant

($p < .001$) and explains between 33 and 49 percent of the variance. This is a much higher explained variance than the previous multivariate model. When comparing across the three analyses, only one explanatory factor is consistently significant. In all other cases, if an explanatory factor is significant for more than one grouping, the relationship is different for the two groups. We review the findings in more detail below.

Table 6
Expanded Model: Multivariate Analyses of Trust in Nonprofits and Two Clusters of Institutions
Indiana Local Government Officials, 2020

Explanatory Factors	Nonprofits	Other Local Institutions, including Nonprofits	General Purpose Governments
Trust in the Other Institutions	+	+	+
Township Trustee		-	+
School Board Member		+	-
Believes that Involvement in Nonprofits is Important to the Job of an LGO	(+)	+	
Direction that the Community is Headed			+
Problematic Community Conditions			-
Social Vulnerability Index			+
Central Metropolitan County			-
Survey Complete Before April 3 rd , 2020			-
Overall Significance Level	P<.001	P<.001	P<.001
Number of Cases	327	334	334
Adjusted Proportion of Variation Predicted	.221	.419	.490

Notes: Factors that are significant at the p.05 level in the overall prediction equation are **bolded in red**. Factors that are borderline significant are **bolded in black** with parentheses. We included several factors in this analyses that were not significant for either of the three were not included in this table. Those factors include: city council members; county council members and commissioners; involved in nonprofit(s) as a member, volunteer, and leader; tenure in all elected positions; town council members; average revenue of IRS-registered 501(c)(3) charities; ring metropolitan counties; average importance of the eight factors when awarding grants and contracts to nonprofits; average importance of local governments to nonprofits; average importance of nonprofits to local governments; nonprofit disaster preparedness.

Generalized Trust Disposition. As noted above, to compensate for having no information on the personal characteristics of LGOs, we included a stand-in indicator for general trust disposition. For trust in nonprofits and trust in

other local institutions, we include the measure of trust in general purpose government. For trust in general purpose government, we include trust in other local institutions.

As the first factor in Table 6 shows, the stand-in measure of general trust disposition is a significant predictor regardless of which institution is being examined in these expanded multivariate models. LGOs are significantly more likely to trust nonprofits or trust all other institutions if they trust general purpose government. Similarly, LGOs are significantly more likely to trust general purpose governments if they trust other local institutions. This is as we would expect, since the two measures are themselves significantly correlated.

LGO Characteristics. For trust in nonprofits, none of the explanatory factors related to LGO position or time in office are significant in the expanded multivariate model (the same pattern as the base model). However, two positions, township trustees and school board members, are significant explanatory factors for trust in other local institutions and in general purpose government, but the relationships differ. Township trustees are significantly less likely to trust other local institutions and significantly more likely to trust general purpose governments than mayors (the comparison group). School board members are significantly more likely to trust other local institutions and significantly less likely to trust general purpose governments than mayors.

Neither of these positions were significant in the base multivariate model for trust in other institutions. However, they were significant for trust in general purpose government and with the same pattern.

LGOs who say their personal nonprofit involvement is important for their position as LGO are borderline more likely to trust nonprofits (this factor was significant in the base multivariate model). Trust in other local institutions is also

significantly higher if LGOs believe their involvement in nonprofits is important to their work as an LGO but is not significant in predicting trust in general purpose government. These latter two patterns are unchanged from the base multivariate model.

Community Conditions. None of the predictors in this group are significantly related to LGO trust in nonprofits or in other local institutions in the expanded multivariate model, although several were in the base model. However, the same factors that helped predict trust in general purpose government in the base model are still significant and have the same patterns. LGOs are significantly more likely to trust general purpose governments if they view their community as heading in a positive direction and if they represent a community with a higher social vulnerability index. They are significantly less likely to trust general purpose governments if they view their community as facing problematic conditions, or if they represent a central metropolitan county.

Local Government – Nonprofit Interactions. None of the explanatory factors related to interactions between local government and nonprofits are significant in the expanded model for predicting trust in the three types of institutions. These patterns are unchanged from the base model for trust in other local institutions and trust in general purpose government. However, in the base model, LGOs who said nonprofits provide important resources to local government were also more likely to trust nonprofits. That pattern disappears in the expanded model.

Impact of COVID-19 Pandemic. Finally, LGOs who completed the survey before April 3rd, 2020, when the COVID-19 pandemic was

declared a major disaster across the state, are significantly less likely to trust general purpose governments than those who completed the survey after that date. Perhaps the pandemic forced LGOs to collaborate more closely with general purpose governmental units, thereby creating greater trust. This is the only analysis where we have any evidence that the pandemic may have changed LGO assessments of trust. In this case, the experience appears to have increased trust, but only for general purpose government. We note that the timing of the survey is only significant in this expanded model, where we also control for general trust disposition, suggesting that the impact of the pandemic may have been stronger for those already predisposed to higher trust.

Summary and Conclusions

Local government officials must delegate tasks and often entrust community welfare to a range of different institutions – no government can meet all a community’s needs. Whether LGOs trust other institutions to do the right thing will influence how well and often they work with those other institutions to address community needs.

In a previous report, we examine what factors explain whether LGOs report positive working relationships with the institutions we have considered here. We found that when LGOs trust an institution “to do the right thing,” LGOs are significantly more likely to report positive

working relationships with the institution in question, whether it be nonprofits, other local institutions, or general purpose government.²⁰

In this report, we looked explicitly at the level of trust that LGOs have in a broad range of institutions, focusing on their trust in local nonprofits and how that compares to trust in other institutions, including various levels of government. We also examined how LGOs’ perception of trust in nonprofits and other institutions has changed over time. Lastly, we examined under which conditions LGOs’ trust in nonprofits, other local institutions, and general purpose governments appear to be more positive.

For three surveys over a nine-year period (2012, 2014 and 2020), LGOs have shown a higher level of trust in nonprofits “to do the right thing” than in other institutions for which we have comparative data.²¹ Our finding that LGOs trust local charities more than local businesses is an important finding and is consistent with other surveys of the general population which also finds slightly higher trust in nonprofits than in local businesses.²²

We also find some decline in average trust scores in 2014 compared to 2012, but the decline was only significant for nonprofits and borderline significant for businesses. However, by 2020, LGOs had significantly more trust in each of the included institutions – nonprofits, businesses, state government, and federal government – than they had in 2012 or 2014. This

²⁰ *Indiana Local Government Officials’ Opinions on Working Relationships with Nonprofits*, by Kirsten A. Grønbjerg, Zoe Bardon and Elizabeth McAvoy. Indiana Local Government Officials and the Indiana Nonprofit Sector Report Series, Briefing Number Twelve, April 2022. Bloomington, IN: Indiana University O’Neill School of Public and Environmental Affairs. DOI: 10.13140/RG.2.2.18107.69923

²¹ In 2014, LGO trust in nonprofits was higher than LGO trust in businesses, but only at the $p < .10$ level of significance.

²² Compared to LGOs, the general public has notably lower trust in all levels of government, although the rank-order is the same – most trust in local government, then state government, and least the federal government. Independent Sector, “Trust in Civil Society.” 2022. Available online at <https://independentsector.org/wp-content/uploads/2022/07/Trust-Report-Independent-Sector-May-19-2022-1.pdf> (accessed September 4, 2022).

is a notable finding, since many surveys of the general population has found that trust, particularly trust in government, has been declining over time.²³

Our multivariate analyses allow us to identify which combination of factors best explains LGOs' high trust in nonprofits, other local institutions (including nonprofits), and general purpose governments. In our base model, we assess the relevance of three sets of predictor factors that previous research suggests should be important. We also consider whether LGOs who responded to the survey before the pandemic hit reported different trust levels than those who responded afterwards, controlling for all other explanatory factors. We expand upon the base model to explore the impact of controlling for generalized trust in all other institutions. We refer to this as the expanded model.

Notably, both of our models are highly significant. However, the percent variance explained, adjusted for the number of explanatory factors included, is modest in the base model: only 8 percent of variance for trust in nonprofits, 12 percent for trust in other local institutions, and 22 percent for trust in general purpose government. We find much higher percentages of variance explained in our expanded model: 33 percent of variance for trust in nonprofits, 42 percent for trust in other local institutions, and 49 for trust in general purpose government. For both models the differences in percent of variance explained suggest that our models (base or expanded) are less able to predict trust in nonprofits and trust in other local institutions than trust in general-purpose government.

For our base model, our findings point to

several factors as significant predictors of trust, regardless of which institution is being considered. LGOs are significantly more likely to trust nonprofits, other local institutions, and general purpose governments if they believe their involvement in nonprofits is important to their LGO position. Similarly, LGOs who say that their community is headed in a positive direction, are significantly more likely to report trusting the three institutional groupings. Correspondingly, those who report more problematic community conditions are significantly less likely to trust the three types of institutions.

However, using the more objective measure of community conditions, the social vulnerability index, LGO's representing counties that score higher on this index are significantly more likely to report trust in other local institutions and in general purpose government. We have no obvious explanations for why subjective assessments of problematic community conditions is associated with lower trust, while objective indicators of community vulnerability is associated with higher trust.

A closer analysis shows a slight positive correlation between the subjective and objective measures of problematic community conditions (Pearson $r=.12$). The relationship is significant, but very low and one factor explains only 1.4 percent of the variance in the other one. We speculate that while the objective conditions may influence LGOs subjective assessment of community conditions, this is only at the margin. Many other (unmeasured) factors are likely to be at least as important, perhaps more so, when LGOs make their subjective assessment of community conditions.

As expected, LGOs are significantly more likely

²³ Ibid.

to report trust in nonprofits if they view nonprofits as providing important resources to local governments. However, this factor is not important for predicting trust in other local institutions (including nonprofits) or in general purpose government.

But assessments of trust also depend on who is making the assessments, particularly for general purpose government. Township trustees are significantly more likely to report trusting general purpose government, while school board members are significantly less likely to do so, compared to mayors.

We considered possible explanations for why LGOs in these two positions show different patterns for trust in general purpose government and in other local institutions. We note that local schools are included in “other local institutions” and township trustees in general purpose government. In addition, each type of institution is likely to interact more with institutions in their own respective cluster than the other one. Perhaps it is not surprising, therefore, that LGOs (including school board members) express high trust in other local institutions (although only in the expanded model) and that LGOs (including township trustees) have high trust in general purpose government.

In our expanded multivariate model, we control also for generalized trust disposition. We find that this “stand-in” indicator for basic demographic characteristics is significantly and positively related to LGO trust across the board. Even so, many of the same explanatory factors that were significant in the base multivariate

model are still significant and with the same patterns. This suggests that the models are robust. Thus, if LGOs believe their nonprofit involvement is important to their job as LGO, they are significantly more likely to report trusting other local institutions.

Given the start of the COVID-19 pandemic in early spring of 2020, these findings have added importance. In the span of about a month, American lives were abruptly changed, presenting major challenges to all institutions. While the federal and state governments played important roles in coordinating responses to COVID-19, they were ultimately supporting the action of local communities. That’s where the pandemic’s impact was felt most directly, where people were becoming ill and died, and where many lost their jobs or livelihoods, as well as access to “non-essential” services.²⁴

Local government officials had to address these and other challenges immediately. Most lacked the infrastructure to support critical needs at such an unprecedented scale, encouraging them to work together and entrust services to other institutions. LGOs that already, or previously, trusted other institutions may have been able to jump to action faster. The pandemic certainly allowed LGOs to get to know and potentially build trust with a wider range of institutions than may have been the case previously.

Our survey allowed us to explore whether the pandemic affected how much LGOs trust other institutions. To do so, we compared responses of LGOs who complete the survey prior to April

²⁴ In April of 2020, 540,000 Indiana residents were unemployed, almost 17 percent of the labor force. Both numbers were up by a factor of almost five, from only 3.5 percent unemployed (less than 115,000 unemployed people) only one month previously (online at <https://www.hoosierdata.in.gov/infographics/sa-unemployment-rate.asp>, accessed 9/26/2022). The number of COVID-related deaths increased from about 14 per day in late March to 50 by April 21 and stayed above 30 per day until May 21 (online at <https://hub.mph.in.gov/covid-19-data>, accessed 9/21/22).

3, 2022, before the pandemic was widely recognized, to those who responded after that date.

We found that LGOs who completed the survey before April 3rd, 2020, were significantly less likely to report trusting general purpose governments “to do the right thing,” but only when we control for generalized trust disposition and only for those institutions. Perhaps, the actions of general purpose governments after the start of the pandemic proved to LGOs that other governmental units could be trusted “to do the right thing” for Indiana communities.

We don’t know whether this finding will hold as the pandemic continues, but we hope to explore that question. It is now two and half years after the onset of the pandemic, and everyone has had to navigate this viral pandemic. LGOs will undoubtedly reflect on their experiences and which institutions and individuals they trust in these types of emergencies.

Acknowledgements

This analysis of local government and nonprofit sector relations is a joint effort of the [Indiana Nonprofit Sector](#) project, the [Indiana University Public Policy Institute](#), the [Lilly Family School of Philanthropy](#) at Indiana University, and the [O’Neill School of Public and Environmental Affairs](#) at Indiana University Bloomington. We seek to help community leaders develop effective and collaborative solutions to community needs and to inform public policy decisions by providing baseline information about the Indiana nonprofit sector.

This briefing is made possible by support for the Efrogmson Chair in Philanthropy from the Efrogmson Family Fund at the Central Indiana Community Foundation, the Lilly Family School of Philanthropy’s Indiana Research Fund (supported in part by the Lilly Endowment Inc.), and the O’Neill School of Public and Environmental Affairs at Indiana University Bloomington.

We thank members of the Advisory Board for the Indiana Nonprofits Project for their helpful comments and suggestions. We are grateful to the [Indiana Advisory Commission on Intergovernmental Affairs \(IACIR\)](#) at the Indiana University Public Policy Institute for making the survey data available to us. We are indebted to Jamie Palmer for helpful comments on this and previous reports.

For a description of the full survey on which this report is based, please see State of Indiana Advisory Commission on Intergovernmental Relations: Intergovernmental Issues in Indiana: 2020 IACIR Survey. Available at https://iacir.ppi.iupui.edu/documents/ElectedOfficials_Report_Web.pdf.

Suggested Citation

Indiana Local Government Officials’ Trust in Nonprofits, by Kirsten A. Grønbjerg, Zoe Bardon and Elizabeth McAvoy. Indiana Local Government Officials and the Indiana Nonprofit Sector Report Series, Briefing Number Thirteen, October 2022. Bloomington, IN: Indiana University O’Neill School of Public and Environmental Affairs. DOI: 10.13140/RG.2.2.27958.78406.

Appendix A: Bivariate Analyses Graphs

Figure A.1: Average Trust in Nonprofits and Other Local Institutions by Whether the LGO is a County Commissioner (n=46-488)

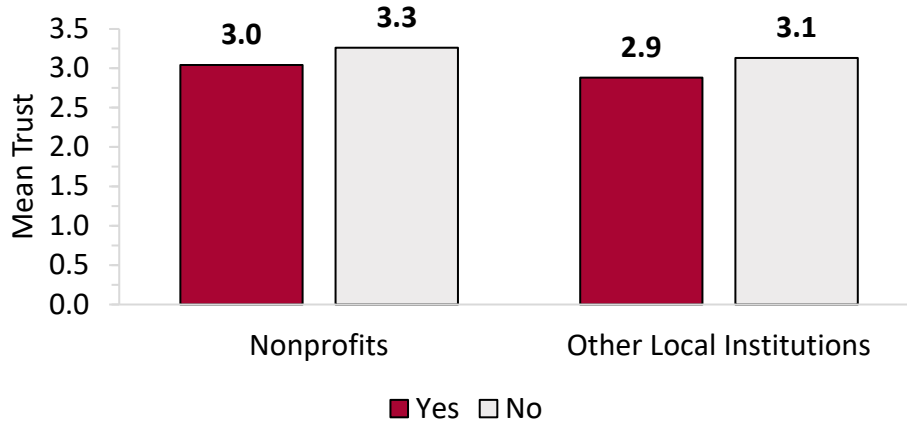


Table A.1: Average Trust in Nonprofits and General Purpose Governments by Whether the LGO is a Current Leader or Member of a Nonprofit (n=194-290)

	<i>Nonprofits</i>		<i>General Purpose Governments</i>
	<i>Current Leader</i>	<i>Current Member</i>	
Yes	3.34	3.34	2.87
No	3.21	3.18	2.73

Table A.2: Average Trust in Nonprofits by Variations of Nonprofit Positions LGOs Currently Occupy (n=107-366)

	<i>Involved as Volunteer, Member, or Leader In</i>		
	<i>At Least One Capacity</i>	<i>At Least Two Capacities</i>	<i>All Three Capacities</i>
Yes	3.3	3.3	3.3
No	3.1	3.2	3.2

Table A.3: Average Trust in Nonprofits by Average Active Involvement in Nonprofits (n=116-185)

	<i>Average Active Involvement in Nonprofits</i>
Least Active Third	4.2
Middle Active Third	4.3
Most Active Third	4.4

Table A.4: Average Trust in Nonprofits by Sum of Different Types of Nonprofits Involved At (Past or Current) (n=114-178)

	<i>Sum of Different Types of Nonprofits Involved At</i>
Least Involved Third	3.2
Middle Involved Third	3.2
Most Involved Third	3.4

Figure A.2: Average Trust in Various Institutions by Level of Importance of Nonprofit Involvement (n=21-418)

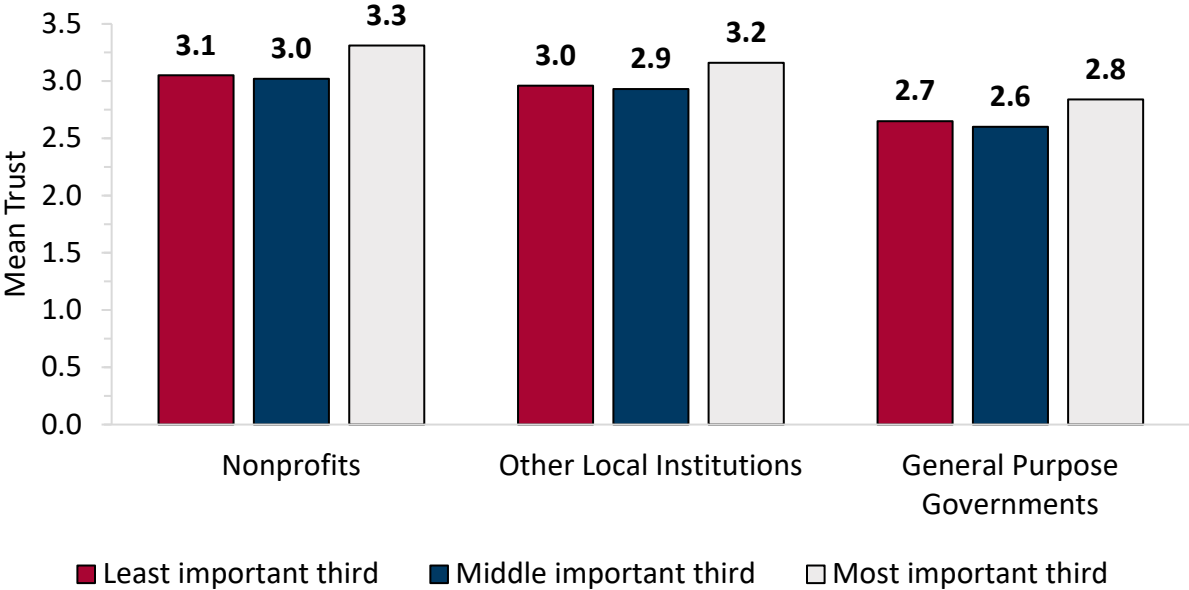


Figure A.3: Average Trust in Other Local Institutions and General Purpose Governments by LGO Position Type (n=98-438)

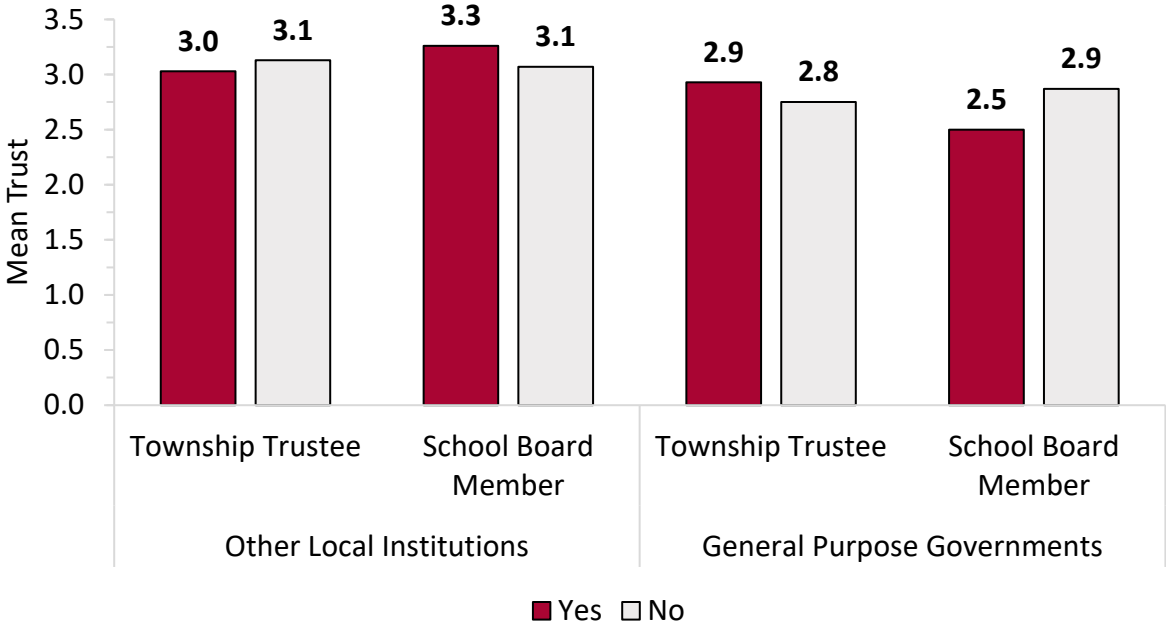


Table A.5: Average Trust in Other Local Institutions by Whether LGO is Involved in Nonprofits in at Least Two Capacities: Volunteer, Member, or Leader (n=197-289)

	<i>Involved in at Least Two Capacities</i>
Yes	3.2
No	3.1

Table A.6: Average Trust in General Purpose Governments by Years Spent in Other Elected Offices (n=166-367)

	<i>Years Spent in Other Elected Offices</i>
No Time in Another Elected Office	2.8
Time in Another Elected Office	2.9

Figure A.4: Average Trust in Various Institutions by Average Problematic Community Conditions (n=169-179)

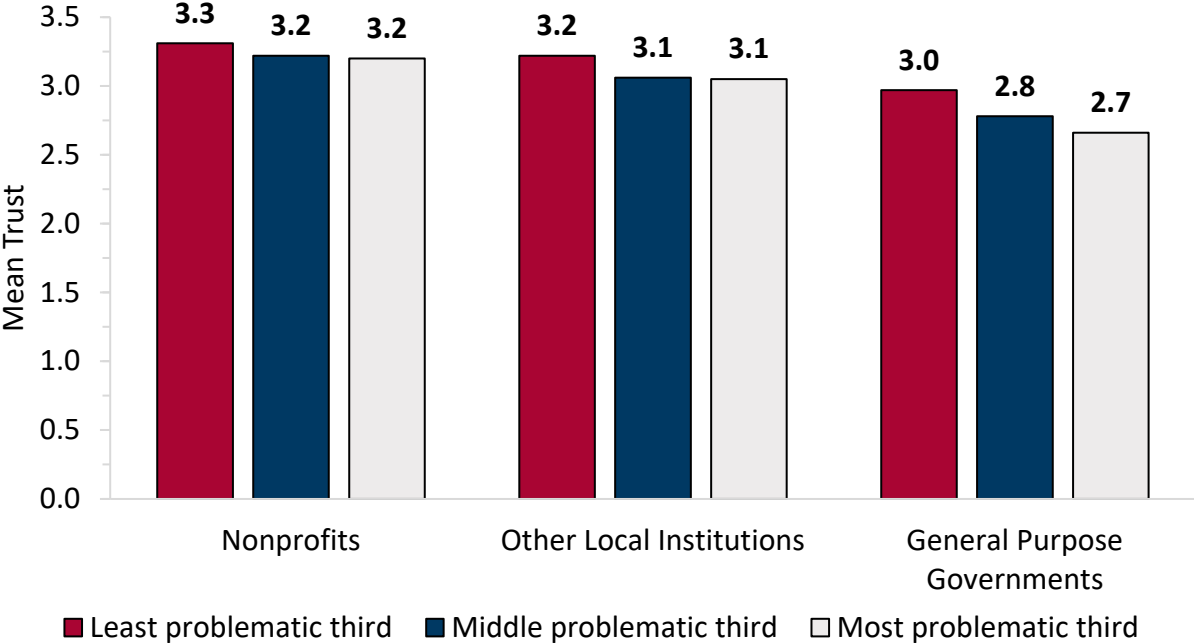


Figure A.5: Average Trust in Various Institutions by the Direction that the Community is Headed (n=77-233)

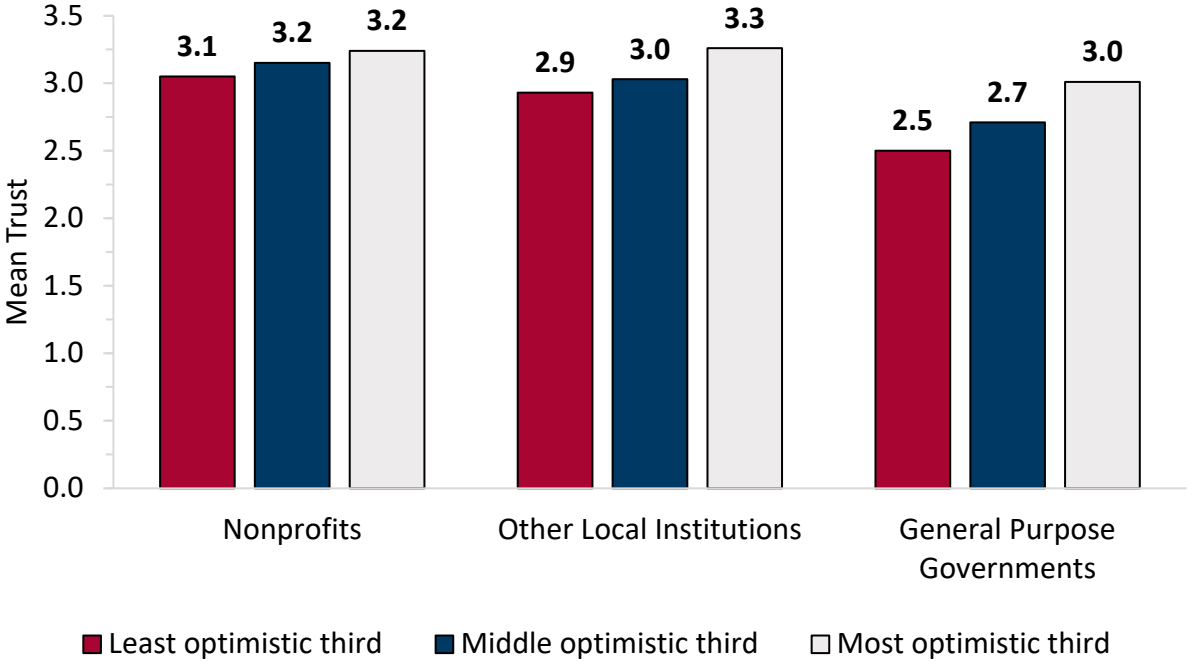


Table A.7: Average Trust in General Purpose Governments by Percentage of Community without a High School Diploma (n=171-183)

	<i>Percentage of Community without a High School Diploma</i>
Least Educated Third	2.8
Middle Educated Third	2.8
Most Educated Third	2.9

Table A.8: Average Trust in Nonprofits by Financial Variables (n=158-195)

	<i>Total Number of Non-(c)(3) Nonprofits Reporting Assets to IRS in 2019 by County</i>	<i>Total Number of Non-(c)(3) Nonprofits Reporting Revenue to IRS in 2019 by County</i>
Least Reporting Third	3.2	3.2
Middle Reporting Third	3.3	3.3
Most Reporting Third	3.3	3.3

Figure A.6: Average Trust in Various Institutions by Importance of All Eight Values When Awarding Grants to Nonprofits (n=124-139)

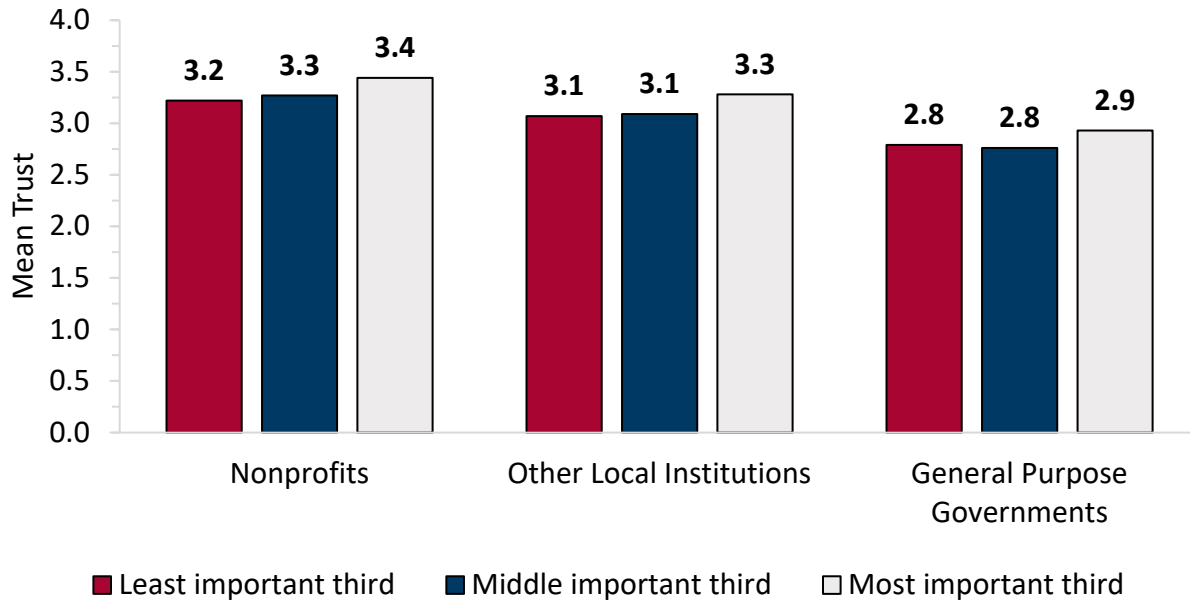


Figure A.7: Average Trust in Various Institutions by Average Importance of Nonprofits to Local Government (n=99-185)

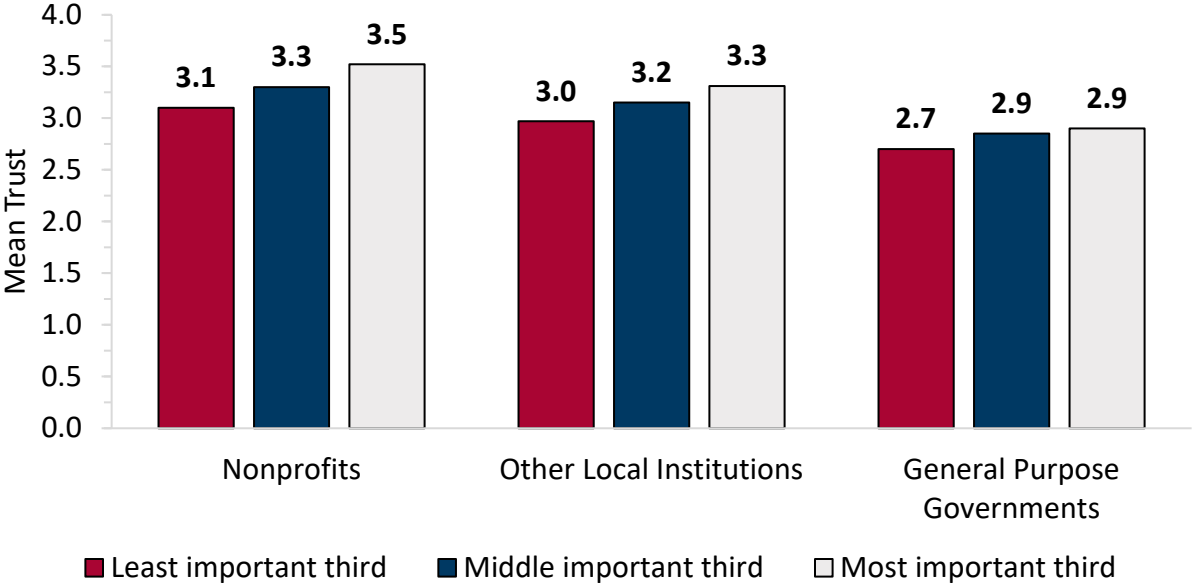


Figure A.8: Average Working Relationships with Various Institutions by Average Importance of Local Governments to Nonprofits (n=85-191)

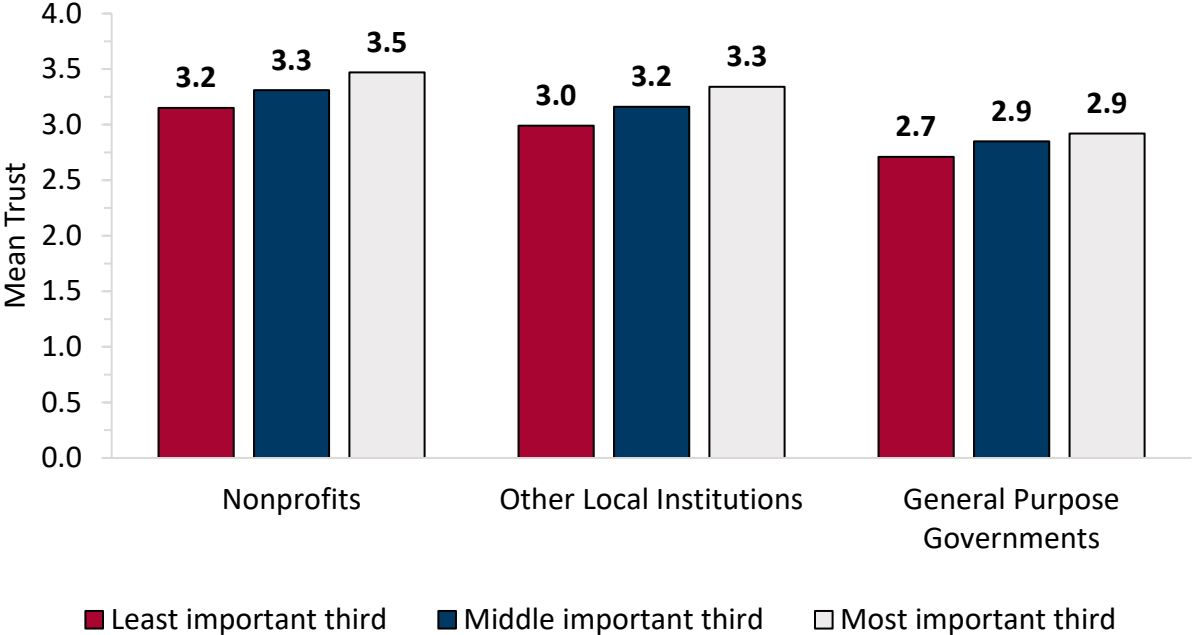


Figure A.9: Average Trust in Nonprofits by Working Relationships with Nonprofits (72-232)

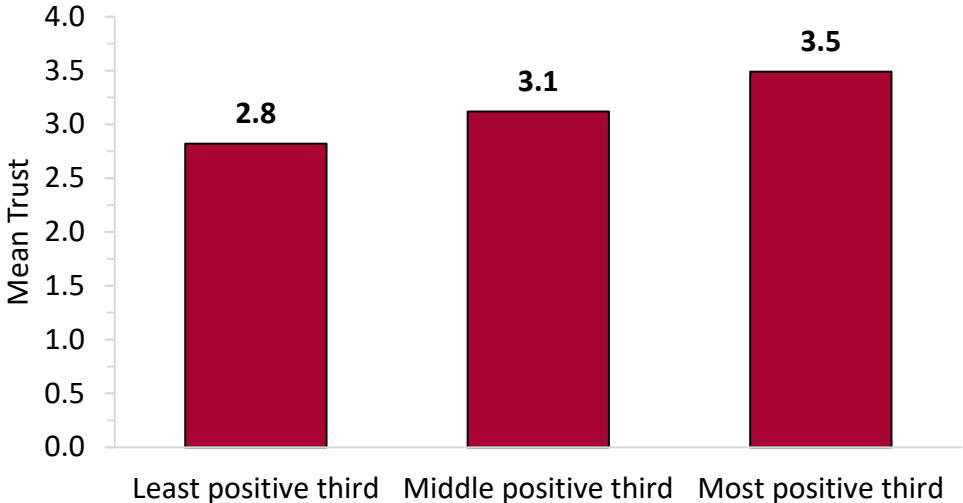


Figure A.10: Average Trust in Other Local Institutions by Working Relationships with Other Local Institutions (77-234)

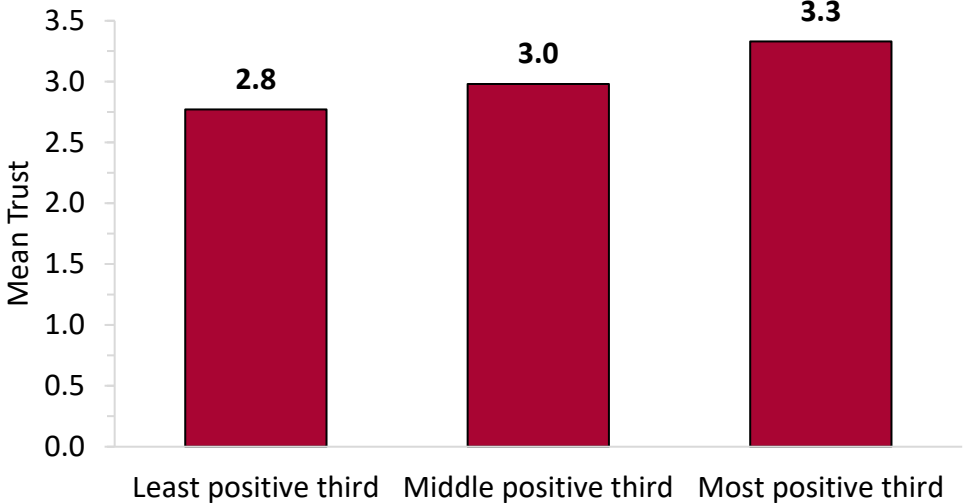


Figure A.11: Average Trust in General Purpose Governments by Working Relationships with General Purpose Governments (77-234)

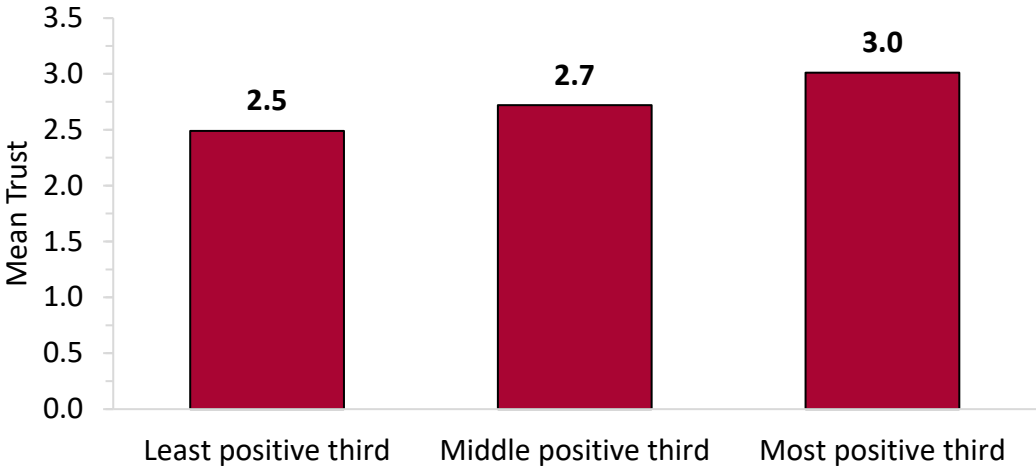


Figure A.12: Average Trust in Various Institutions by Disaster Preparedness of Nonprofits (n=21-303)

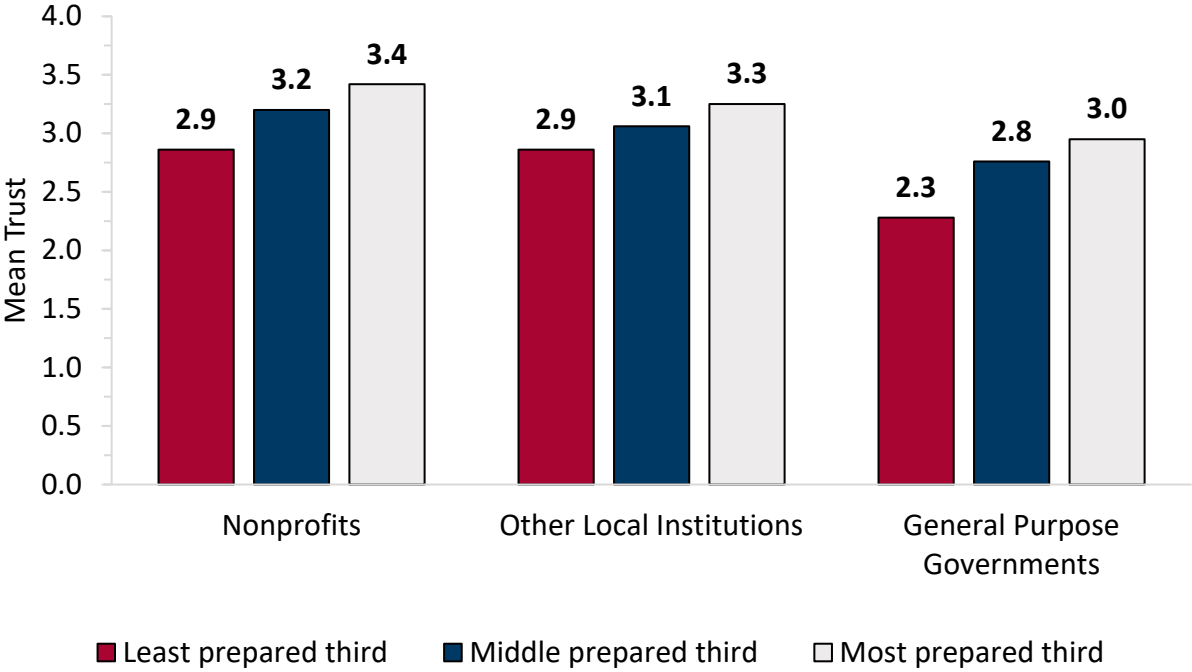


Figure A.13: Average Trust in Various Institutions by Disaster Preparedness of Churches (n=25-309)

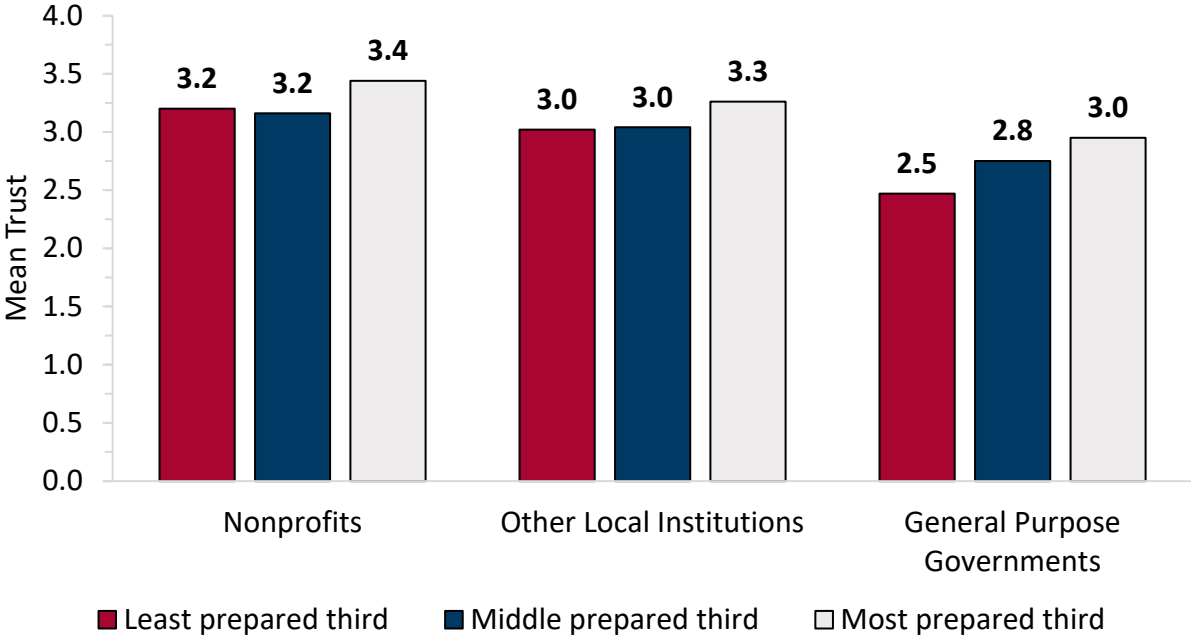
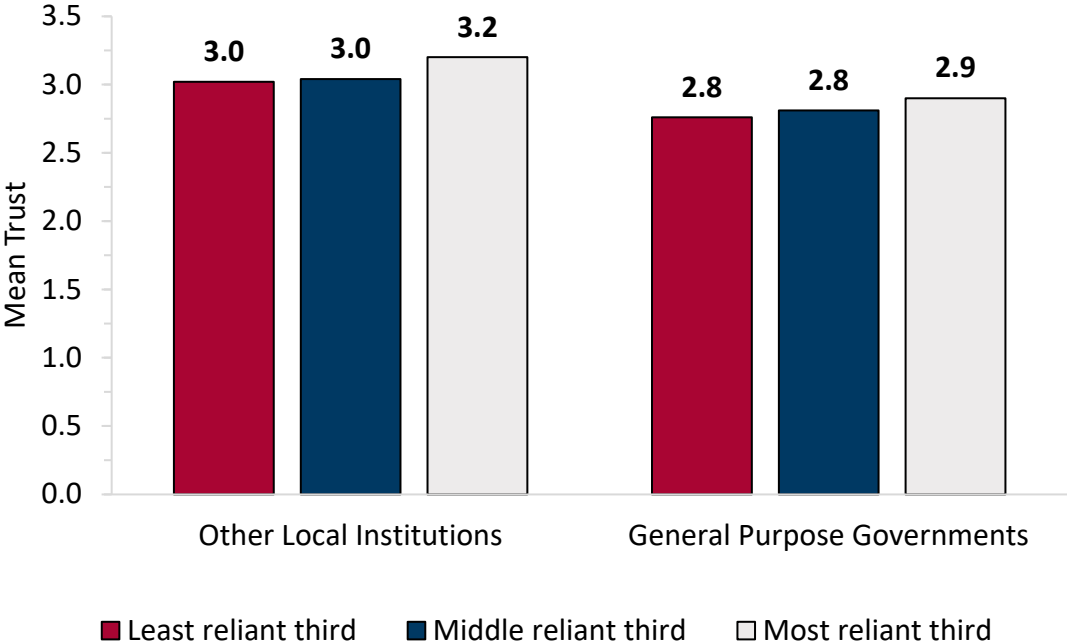


Figure A.14: Average Trust in Other Local Institutions and General Purpose Governments by Average Reliance on Emergency Response (n=57-67)



Appendix B: Expanded Bivariate Table

Significant Bivariate Predictors of Trust Various Institutions, 2020

Explanatory Factors	Nonprofits	Other Local Institutions	General Purpose Governments
A. LGO Characteristics			
County Commissioner	-	-	
School Board Member		+	-
Township Trustee		-	+
Years Worked in Another Elected Position			+
B. LGO Nonprofit Involvement			
Currently Holds a Leadership Position in a Nonprofit	+		
Currently a Member of a Nonprofit	+		+
Involved in Nonprofits in at Least One Capacity: Member, Volunteer, or Leader	+		
Involved in Nonprofits in at Least Two Capacities: Member, Volunteer, or Leader	+	+	+
Involved in Nonprofits in All Three Capacities: Member, Volunteer, and Leader	+		
Average Involvement as Member, Volunteer, and/or Leader in Nonprofits	+		
*Involved with an Education & Research Nonprofit	+	+	
*Involved with a Health Nonprofit	+		
*Involved with a Social Services Nonprofit	+		
*Involved with an Economic & Community Development, Housing, Employment & Training Nonprofit	+		+
*Involved with a Philanthropic Nonprofit	+	+	
Summation of Involvement in Different Types of Nonprofits	+		
Believes that Involvement in Nonprofits is Important to the Job of an LGO	+	+	+
C. Community Conditions			
Problematic Community Conditions	-	-	-
Direction the Community is Heading	+	+	+
Percentage of Community Without High School Diploma			+
D. Scope of Nonprofits			
Total Number of Non-501(c)(3) Nonprofits Reporting Assets	+		

Explanatory Factors	Nonprofits	Other Local Institutions	General Purpose Governments
Total Number of Non-501(c)(3) Nonprofits Reporting Revenue	+		
<i>E. Nonprofit Grants and Contracts</i>			
*Importance of Nonprofit Service Capacity when Awarding Grants and Contracts to Nonprofits	+		
*Importance of Nonprofit Service Quality when Awarding Grants and Contracts to Nonprofits	+		
*Importance of Nonprofit Effectiveness when Awarding Grants and Contracts to Nonprofits	+		
*Importance of Client Access to Nonprofit Services when Awarding Grants and Contracts to Nonprofits	+		
*Importance of Cost Efficiency of Nonprofit Services when Awarding Grants and Contracts to Nonprofits	+		
*Importance of Costs of Creating or Managing Effective Contract Systems when Awarding Grants and Contracts to Nonprofits	+		
*Importance of Challenges in Monitoring Nonprofit Service Performance when Awarding Grants and Contracts to Nonprofits	+		+
*Importance of Difficulties in Communicating with Nonprofit Contractors when Awarding Grants and Contracts to Nonprofits	+		+
Average Importance of the Eight Factors When Awarding Grants and Contracts to Nonprofits	+		+
Average Reliance on Nonprofits for Emergency Response		+	+
<i>F. Importance of Nonprofits to Local Governments and Local Governments to Nonprofits</i>			
*Importance of Nonprofit’s Financial Support to Local Government	+	+	+
*Importance of Nonprofit’s Service Capacity to Local Government	+	+	+
*Importance of Nonprofit’s Knowledge to Local Government	+	+	+
*Importance of Nonprofit’s Reputation and Legitimacy to Local Government	+	+	+
*Importance of Nonprofit’s Policy Support and	+	+	+

Explanatory Factors	Nonprofits	Other Local Institutions	General Purpose Governments
Influence to Local Government			
Average Importance of Nonprofits to Local Governments	+	+	+
*Importance of Local Government’s Financial Support to Nonprofits		+	+
*Importance of Local Government’s Knowledge to Nonprofits	+	+	+
*Importance of Local Government’s Reputation and Legitimacy to Nonprofits	+	+	+
*Importance of Local Government’s Policy Support and Influence to Nonprofits	+	+	+
Average Importance of Local Governments to Nonprofits	+	+	+
<i>G. Trust and Preparedness</i>			
Working Relationships with Corresponding Institution(s)	+	+	+
Nonprofits Disaster Preparedness	+	+	+
Religious Orgs. Disaster Preparedness	+	+	+

*Explanatory factors that were not included in the body of the report.

Appendix C: Multivariate Analyses Tables

Table C.1 – Base Model: Multivariate Analyses of Trust in Nonprofits and Two Clusters of Institutions; Indiana Local Government Officials, 2020

Explanatory Factors	Nonprofits	Other Local Institutions	General Purpose Governments
A. LGO Characteristics and Involvement in Nonprofits			
City Council Member			
County Council Member or County Commissioner			
School Board Member			-
Town Council Member			
Township Trustee			+
Tenure in All Elected Positions			
Believes that Involvement in Nonprofits is Important to the Job of an LGO	+	+	+
Involved in Nonprofit(s) as a Member, Volunteer, and Leader			
B. Community Conditions and Scope of Nonprofits			
Average Revenue of IRS-registered 501(c)(3) Charities			
Direction that the Community is Headed	+	+	+
Problematic Community Conditions	-	-	-
Social Vulnerability Index		+	+
Central Metropolitan County			-
Ring Metropolitan County			
C. The Nature of Nonprofit Interactions with Local Government			
Average Importance of the Eight Factors When Awarding Grants and Contracts to Nonprofits			
Average Importance of Local Governments to Nonprofits			
Average Importance of Nonprofits to Local Governments	+		
Nonprofit Disaster Preparedness			
Survey Complete Before April 3 rd , 2020			
Overall Significance Level	P<.001	P<.001	P<.001
Number of Cases	327	335	335
Adjusted Proportion of Variation Predicted	.082	.123	.222

Notes: Factors significant at the p.05 level in the overall prediction equation are **bolded in red**. Most data are based on responses to the 2020 survey of Indiana local government officials conducted by the Indiana Advisory Commission for Intergovernmental Relations (www.iacir.spea.iupui.edu/), then “Intergovernmental Issues in Indiana: 2020 IACIR Survey.”

Table C.2 – Expanded Model: Multivariate Analyses of Trust in Nonprofits and Two Clusters of Institutions; Indiana Local Government Officials, 2020

Explanatory Factors	Nonprofits	Other Local Institutions	General Purpose Governments
A. LGO Characteristics and Involvement in Nonprofits			
City Council Member			
County Council Member or County Commissioner			
School Board Member		+	-
Town Council Member			
Township Trustee		-	+
Tenure in All Elected Positions			
Believes that Involvement in Nonprofits is Important to the Job of an LGO	(+)	+	
Involved in Nonprofit(s) as a Member, Volunteer, and Leader			
B. Community Conditions and Scope of Nonprofits			
Average Revenue of IRS-registered 501(c)(3) Charities			
Direction that the Community is Headed			+
Problematic Community Conditions			-
Social Vulnerability Index			+
Central Metropolitan County			-
Ring Metropolitan County			
C. The Nature of Nonprofit Interactions with Local Government			
Average Importance of the Eight Factors When Awarding Grants and Contracts to Nonprofits			
Average Importance of Local Governments to Nonprofits			
Average Importance of Nonprofits to Local Governments			
Nonprofit Disaster Preparedness			
Survey Complete Before April 3 rd , 2020			-
Trust in All Other Institutions	+	+	+
Overall Significance Level	P<.001	P<.001	P<.001
Number of Cases	327	334	334
Adjusted Proportion of Variation Predicted	.221	.419	.490

Notes: Factors that are significant at the p.05 level in the overall prediction equation are **bolded in red**. Factors that are borderline significant are **bolded in black** with parentheses. All other

data are based on responses to the 2020 survey of Indiana local government officials conducted by the Indiana Advisory Commission for Intergovernmental Relations. For information about the survey, see www.iacir.spea.iupui.edu/ and follow link to “Intergovernmental Issues in Indiana: 2020 IACIR Survey.”

**Table C.3 – Multivariate Analysis of Trust in Nonprofits, Base Model
Indiana Local Government Officials, 2020**

Explanatory Factors	B	S.E.	Sig.	Std. Coeff.
City Council Member	.071	.203	.727	.045
County Council Member or County Commissioner	-.051	.115	.660	-.039
School Board Member	.063	.122	.605	.041
Town Council Member	.074	.126	.559	.045
Township Trustee	-.018	.122	.886	-.012
Tenure in All Elected Positions	-.002	.004	.643	-.026
Believes that Involvement in Nonprofits is Important to the Job of an LGO	.090	.042	.032	.129
Involved in Nonprofits in All Three Capacities: Member, Volunteer, and Leader	.055	.070	.439	.043
Average Revenue of IRS-registered 501(c)(3) Charities	.006	.033	.843	.012
Direction that the Community is Headed	.080	.037	.033	.127
Problematic Community Conditions	-.204	.102	.046	-.116
Social Vulnerability Index	.126	.173	.467	.048
Central Metropolitan County	.021	.108	.846	.012
Ring Metropolitan County	.101	.077	.191	.081
Average Importance of the Eight Factors When Awarding Grants and Contracts to Nonprofits	.020	.042	.634	.031
Average Importance of Local Governments to Nonprofits	.002	.047	.960	.004
Average Importance of Nonprofits to Local Governments	.091	.045	.045	.143
Nonprofit Disaster Preparedness	.003	.038	.933	.005
Survey Complete Before April 3 rd , 2020	-.032	.065	.625	-.027
Constant	2.353	.554	.000	

Notes: Coefficients significant at the p<0.05 level are **bold red**. The model is significant at p=0.000. The Adjusted R-Squared= 0.082 (the proportion of variance in the dependent variable (working relationships with nonprofits) explained by the independent variables). N=327.

**Table C.4 – Multivariate Analysis of Trust in Other Local Institutions, Base Model
Indiana Local Government Officials, 2020**

Explanatory Factors	B	S.E.	Sig.	Std. Coeff.
City Council Member	-.042	.183	.820	-.013
County Council Member or County Commissioner	-.114	.103	.369	-.095
School Board Member	.121	.110	.291	.085
Town Council Member	.049	.114	.668	.032
Township Trustee	-.115	.108	.291	-.086
Tenure in All Elected Positions	-.003	.003	.452	-.040
Believes that Involvement in Nonprofits is Important to the Job of an LGO	.090	.037	.016	.142
Involved in Nonprofits in All Three Capacities: Member, Volunteer, and Leader	.018	.063	.772	.016
Average Revenue of IRS-registered 501(c)(3) Charities	.008	.029	.776	.017
Direction that the Community is Headed	.069	.033	.039	.120
Problematic Community Conditions	-.243	.090	.007	-.151
Social Vulnerability Index	.353	.153	.022	.145
Central Metropolitan County	-.108	.094	.251	-.069
Ring Metropolitan County	.052	.068	.448	.045
Average Importance of the Eight Factors When Awarding Grants and Contracts to Nonprofits	.010	.037	.796	.017
Average Importance of Local Governments to Nonprofits	.048	.041	.251	.082
Average Importance of Nonprofits to Local Governments	.043	.040	.280	.075
Nonprofit Disaster Preparedness	.005	.034	.890	.008
Survey Complete Before April 3 rd , 2020	.011	.058	.855	.010
Constant	2.303	.494	.000	

Notes: Coefficients significant at the $p < 0.05$ level are **bold red**. The model is significant at $p = 0.000$. The Adjusted R-Squared = 0.123 (the proportion of variance in the dependent variable (working relationships with nonprofits) explained by the independent variables). $N = 335$.

**Table C.5 – Multivariate Analysis of Trust in General Purpose Government, Base Model
Indiana Local Government Officials, 2020**

Explanatory Factors	B	S.E.	Sig.	STD COEF
City Council Member	.048	.177	.787	.015
County Council Member or County Commissioner	.045	.103	.659	.036
School Board Member	-.234	.110	.034	-.154
Town Council Member	.018	.112	.876	.011
Township Trustee	.254	.108	.019	.180
Tenure in All Elected Positions	.000	.003	.889	.007
Believes that Involvement in Nonprofits is Important to the Job of an LGO	.072	.036	.044	.109
Involved in Nonprofits in All Three Capacities: Member, Volunteer, and Leader	.062	.062	.324	.050
Average Revenue of IRS-registered 501(c)(3) Charities	-.032	.029	.279	-.062
Direction that the Community is Headed	.148	.033	.000	.245
Problematic Community Conditions	-.335	.090	.000	-.198
Social Vulnerability Index	.505	.153	.001	.196
Central Metropolitan County	-.255	.094	.007	-.153
Ring Metropolitan County	-.047	.068	.495	-.153
Average Importance of the Eight Factors When Awarding Grants and Contracts to Nonprofits	-.039	.037	.296	-.063
Average Importance of Local Governments to Nonprofits	.026	.041	.532	.042
Average Importance of Nonprofits to Local Governments	.031	.039	.436	.051
Nonprofit Disaster Preparedness	.041	.034	.236	.063
Survey Complete Before April 3 rd , 2020	-.108	.058	.063	-.092
Constant	2.603	.493	.000	

Notes: Coefficients significant at the p<0.05 level are **bold red**. The model is significant at p=0.000. The Adjusted R-Squared= 0.222 (the proportion of variance in the dependent variable (working relationships with nonprofits) explained by the independent variables). N=335.

**Table C.6 – Multivariate Analysis of Trust in Nonprofits, Expanded Model
Indiana Local Government Officials, 2020**

Explanatory Factors	B	S.E.	Sig.	Std. Coeff.
City Council Member	-.020	.188	.913	-.006
County Council Member or County Commissioner	-.074	.106	.483	-.057
School Board Member	.167	.114	.142	.108
Town Council Member	.067	.116	.568	.041
Township Trustee	-.122	.113	.283	-.083
Tenure in All Elected Positions	-.002	.004	.521	-.033
Believes that Involvement in Nonprofits is Important to the Job of an LGO	.075	.039	.055	.106
Involved in Nonprofits in All Three Capacities: Member, Volunteer, and Leader	.075	.065	.811	.012
Average Revenue of IRS-registered 501(c)(3) Charities	.021	.030	.488	.040
Direction that the Community is Headed	.016	.035	.658	.025
Problematic Community Conditions	-.050	.096	.606	-.028
Social Vulnerability Index	-.085	.162	.600	-.032
Central Metropolitan County	.158	.101	.119	.091
Ring Metropolitan County	.132	.071	.065	.105
Average Importance of the Eight Factors When Awarding Grants and Contracts to Nonprofits	.037	.039	.341	.102
Average Importance of Local Governments to Nonprofits	-.009	.043	.825	-.015
Average Importance of Nonprofits to Local Governments	.065	.042	.121	.102
Nonprofit Disaster Preparedness	-.019	.036	.594	-.028
Survey Complete Before April 3 rd , 2020	.028	.061	.643	.024
Average Trust in General Purpose Governments	.444	.060	.000	.430
Constant	1.150	.536	.032	

Notes: Coefficients significant at the p<0.05 level are **bold red**. The model is significant at p=0.000. The Adjusted R-Squared= 0.326 (the proportion of variance in the dependent variable (working relationships with nonprofits) explained by the independent variables). N=327.

**Table C.7 – Multivariate Analysis of Trust in Other Local Institutions, Expanded Model
Indiana Local Government Officials, 2020**

Explanatory Factors	B	S.E.	Sig.	Std. Coeff.
City Council Member	-.158	.149	.288	-.051
County Council Member or County Commissioner	-.144	.084	.087	-.120
School Board Member	.254	.090	.005	.177
Town Council Member	.037	.092	.688	.025
Township Trustee	-.266	.089	.003	-.200
Tenure in All Elected Positions	-.003	.003	.260	-.049
Believes that Involvement in Nonprofits is Important to the Job of an LGO	.065	.030	.032	.103
Involved in Nonprofits in All Three Capacities: Member, Volunteer, and Leader	-.028	.051	.581	-.024
Average Revenue of IRS-registered 501(c)(3) Charities	.029	.024	.224	.060
Direction that the Community is Headed	-.020	.028	.466	-.036
Problematic Community Conditions	-.054	.075	.474	-.033
Social Vulnerability Index	.055	.127	.662	.023
Central Metropolitan County	.056	.078.	.475	.035
Ring Metropolitan County	.085	.056	.131	.073
Average Importance of the Eight Factors When Awarding Grants and Contracts to Nonprofits	.036	.030	.240	.062
Average Importance of Local Governments to Nonprofits	.028	.034	.410	.048
Average Importance of Nonprofits to Local Governments	.017	.032	.594	.030
Nonprofit Disaster Preparedness	-.023	.028	.406	-.038
Survey Complete Before April 3 rd , 2020	.086	.048	.071	.078
Average Trust in General Purpose Governments	.597	.047	.000	.625
Constant	.703	.420	.096	

Notes: Coefficients significant at the p<0.05 level are **bold red**. The model is significant at p=0.000. The Adjusted R-Squared= 0.419 (the proportion of variance in the dependent variable (working relationships with nonprofits) explained by the independent variables). N=334.

**Table C.8 – Multivariate Analysis of Trust in General Purpose Government, Expanded Model
Indiana Local Government Officials, 2020**

Explanatory Factors	B	S.E.	Sig.	Std. Coeff.
City Council Member	.220	.146	.133	.068
County Council Member or County Commissioner	.115	.082	.164	.091
School Board Member	-.298	.088	.000	-.199
Town Council Member	-.009	.091	.925	-.005
Township Trustee	.320	.087	.000	.230
Tenure in All Elected Positions	.003	.003	.352	.038
Believes that Involvement in Nonprofits is Important to the Job of an LGO	-.011	.030	.719	-.016
Involved in Nonprofits in All Three Capacities: Member, Volunteer, and Leader	.070	.050	.163	.058
Average Revenue of IRS-registered 501(c)(3) Charities	-.038	.023	.100	-.076
Direction that the Community is Headed	.109	.027	.000	.183
Problematic Community Conditions	-.174	.073	.018	-.103
Social Vulnerability Index	.294	.123	.017	.116
Central Metropolitan County	-.214	.075	.005	-.130
Ring Metropolitan County	-.087	.055	.112	-.072
Average Importance of the Eight Factors When Awarding Grants and Contracts to Nonprofits	-.048	.030	.106	-.079
Average Importance of Local Governments to Nonprofits	.003	.033	.923	.005
Average Importance of Nonprofits to Local Governments	.019	.032	.546	.032
Nonprofit Disaster Preparedness	.043	.027	.116	.068
Survey Complete Before April 3rd, 2020	-.131	.046	.005	-.114
Average Trust in Other Local Institutions, Including Nonprofits	.575	.045	.000	.548
Constant	1.346	.407	.001	

Notes: Coefficients significant at the p<0.05 level are **bold red**. The model is significant at p=0.000. The Adjusted R-Squared= 0.490 (the proportion of variance in the dependent variable (working relationships with nonprofits) explained by the independent variables). N=334.



O'NEILL
SCHOOL OF PUBLIC AND
ENVIRONMENTAL AFFAIRS



IUPUI
LILLY FAMILY SCHOOL OF PHILANTHROPY



IUPUI
PUBLIC POLICY INSTITUTE
O'Neill School of Public and Environmental Affairs
