Nonprofit Transparency Pays Off

New research* reveals transparent nonprofits received more contributions and were stronger organizations.

Academic researchers compared nonprofits that earned a GuideStar Seal of Transparency to those that did not. They found that nonprofits that earned a Seal averaged 53% more in contributions the following year than organizations without a Seal.

Organizations with a Seal received 53% more in contributions

Breakdown of Seals

- Gold Seal: 30% increase
- Platinum Seal: 72% increase
- Silver Seal: 15% increase

Your Seal of Transparency Matters

On www.guidestar.org, profiles with Gold or Platinum Seals of Transparency get 2x the views as other profiles. And in 2017, 78% of the nonprofits that received donations through GuideStar had Seals. Only 22% didn’t.

Top reasons for distrust
- Greed and high compensation
- Negative reputation
- Lack of honesty and transparency

Top reasons for trust
- Accomplishments
- Reputation
- Financials

There’s no guarantee that earning a GuideStar Seal of Transparency will cause contributions to grow. This research indicates, however, that earning a Seal increases a nonprofit’s chances of gaining greater support.

Although Professors Harris and Neely obtained the data for this research from GuideStar, GuideStar had no input into the analysis or findings.

Contributions to Nonprofits, +/- a GuideStar Seal of Transparency

Update Now

Transparency Grows Trust

A new Give.org report shows that a nonprofit’s accomplishments are the number one factor in establishing donor trust.

Nonprofits with a Platinum Seal of Transparency provide donors with year-over-year metrics about progress toward their missions.

Donations to Nonprofits

- 70% of nonprofits that received donations on www.guidestar.org had Seals
- 22% didn’t

Profiles with Gold or Platinum Seals are viewed 2x more times

Organizations with a Seal
- 70% increase
- 2x more views
- 2x more contributions

Show You Are Transparent

Earn a Seal of Transparency today by updating your GuideStar Nonprofit Profile for free. It allows nonprofits to reach GuideStar’s 10 million annual users and millions more via the 200+ philanthropic websites and applications powered by GuideStar data, such as AmazonSmile, Facebook, and Network for Good.

Top reasons for trust
- Accomplishments
- Reputation
- Financials

*Erica E. Harris and Daniel Neely, “Determinants and Consequences of Nonprofit Transparency,” Journal of Accounting, Auditing & Finance.https://journals.sagepub.com/doi/full/10.1177/0148558X18814134. Erica Harris is a professor at Villanova University. Daniel Neely is a professor at the University of Wisconsin-Milwaukee. Professors Harris and Neely initially looked at data for 14,000 nonprofits on GuideStar. From that group, they selected more than 6,300 organizations to examine more closely. These nonprofits represented a range of activity and programs. The weight researchers attached to a nonprofit’s success is the number of years the organization earned a Seal.

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