

Edelman, 2018

2018
**Executive
Summary**



2018 Edelman Trust Barometer

The firm's 18th annual trust and credibility survey. Research conducted by Edelman Intelligence, a global insight and analytics consultancy.

Methodology

Online survey in 28 markets

18 years of data

33,000+ respondents total

30-minute survey

All fieldwork was conducted between October 28 and November 20, 2017

▲ General Online Population

- 7 years in 25+ markets
- Ages 18+
- 1,150 respondents per market

▲ Informed Public

- 10 years in 20+ markets
- Represents 15% of total global population
- 500 respondents in U.S. and China; 200 in all other markets
- Must meet four criteria:
 - Ages 25-64
 - College-educated
 - In top 25% of household income per age group in each market
 - Report significant media consumption and engagement in business news and public policy

▲ Mass Population

- All respondents not including Informed Public
- Represents 85% of total global population

On the cover, from top right: Emmanuel Macron, president of France, on his election day, Thierry Chesnot/Getty Images; Inauguration Day protest, Minneapolis, Minnesota; Fibonacci Blue/Flickr; Xi Jinping, President of China, in Beijing, Feng Li/Getty Images; Grenfell Tower fire, Leon Neal/Getty Images; Cover of TIME, December 18, 2017, U.S. Edition, Volume 100 Number 25-26 © 2017 Time Inc. (All rights reserved. TIME and the TIME logo are registered trademarks of Time Inc. Used under license.); Hiroya Kawasaki, president and chief executive officer of Kobe Steel Ltd., speaks during a news conference in Tokyo, Japan, Tomohiko Ohsumi/Bloomberg via Getty Images; White nationalists and white supremacists rally, Charlottesville, Virginia; Evelyn Hockstein/For The Washington Post via Getty Images; Joselley Batista, partner in Brazilian meatpacking company JBS, testifies before the Inquisition Parliamentary Committee investigating JBS's activities, EVARISTO SA/AFP/Getty Images; from right: Kent Walker, vice president and general counsel of Google Inc., Colin Stretch, general counsel of Facebook Inc., and Sean Edgett, acting general counsel of Twitter Inc., at a House Intelligence Committee hearing on Russian interference in U.S. politics, Andrew Herrer/Bloomberg via Getty Images

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The Battle for Truth



Richard Edelman
President and CEO

As we begin 2018, we find the world in a new phase in the loss of trust: the unwillingness to believe information, even from those closest to us. The loss of confidence in information channels and sources is the fourth wave of the trust tsunami. The moorings of institutions have already been dangerously undermined by the three previous waves: fear of job loss due to globalization and automation; the Great Recession, which created a crisis of confidence in traditional authority figures and institutions while undermining the middle class; and the effects of massive global migration. Now, in this fourth wave, we have a world without common facts and objective truth, weakening trust even as the global economy recovers.

Gresham's Law, based on the 18th-century observation that debased currency drives out the good, is now evident in the realm of information, with fake news crowding out real news. Leaders are going directly to the people, bashing the media as inaccurate and biased. These forces are taking a toll. According to the 2018 Edelman Trust Barometer, media has become the least-trusted global institution for the first time, with trust scores of over 50 percent in only six markets, five of which are in the developing world. Putting pressure on trust in media are declining trust in search engines and social media.

People have retreated into self-curated information bubbles, where they read only that with which they agree, as if selecting their playlist for music. Fully half of respondents indicate that they consume mainstream media less than once a week. Nearly six in 10 agree that news organizations are politicized, and nearly one in two agree that they are elitist. Nearly two-thirds agree that the average person cannot distinguish good journalism from falsehoods.

This year also brings a change in the ecosystem of trust, which had become increasingly premised on peer-to-peer discussion. The credibility of "a person like yourself" declined substantially, and peers are no longer the most-believed source of information. There is renewed confidence in experts, notably technical experts and academics (63 percent and 61 percent, respectively), as well as a fast-recovering belief in CEOs (up from 37 percent to 44 percent), rewarded for speaking out on issues.

At the same time, in the two most powerful nations in the world, China and the U.S., trust is moving dramatically in opposite directions, with China showing the most extreme positive changes in trust and the U.S. the most extreme negative changes this year.

The U.S. is enduring the worst collapse ever recorded in the history of the

“ ”

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“ ”

Silence is now deeply dangerous – a tax on truth.

Edelman Trust Barometer. This is led by a decline in trust in government, which is down 30 points among the informed public and 14 points among the general population, while for the informed public trust in each of the other institutions sank by 20 or more points. General population trust declined nine points on the Trust Index scale to 43, placing the nation in the lower middle segment. But informed public trust imploded, down 23 Trust Index points to 45, ranking the U.S. lowest of the 28 markets surveyed, and all but eliminating the trust gap between the informed public and the mass population. This decline is transversal, across age, region and gender.

China's trust is soaring; it is now the No. 1 market on the Trust Index among both the informed public and the general population. The government and media have always been highly trusted, but there is an inexorable rise in business and NGOs. The middle class is growing quickly, and Chinese brands such as Tencent and Alibaba are moving aggressively into global markets. China's trust scores are nearly matched by India, the UAE, Indonesia and Singapore, while the Western democracies languish mostly in distruster territory, challenging the traditional geopolitical vision of satisfaction with systems.

The “mass-class” divide persists, with only seven markets in the distruster category for the informed

public, while among the general population 20 of the 28 markets surveyed now fall into the category of distrust. Declines of trust are no longer linked as closely to economic woes but instead to specific violations, such as quality control falsification at Japan Inc.'s Kobe Steel or the bribery scandal at Brazil's JBS.

The employer is the safe house in global governance, with 72 percent of respondents saying that they trust their employer to do what is right. By nearly a two-to-one margin, a company is trusted to take specific actions that both increase profits and improve economic and social conditions.

There are new expectations of corporate leaders. Nearly 7 in 10 respondents say that building trust is the No. 1 job for CEOs, ahead of high-quality products and services. Nearly two-thirds say they want CEOs to take the lead on policy change instead of waiting for government, which now ranks significantly below business in trust in most markets. This is the time for business to address the wage stagnation of the working class over the past two decades while acknowledging the need to retrain employees who are about to be replaced by automation.

There is a desperate search for the terra firma of stability and truth. The fourth wave of the trust tsunami, the rise of disinformation, is perhaps the most insidious because it

undermines the very essence of rational discourse and decision-making. Silence is now deeply dangerous—a tax on truth.

The consequences of a loss of belief in reliable information are volatility, societal polarization and an ebbing of faith in society's governing structures, slowing economic growth and tempting leaders to make short-sighted policy choices. We must heed the warning of the Chinese philosopher Confucius centuries ago: “A state cannot survive without the confidence of its people.”

This is the existential challenge of our times. Fortunately, we are already seeing the first signs of regret about over-dependence on peers and blind reliance on populist leaders. People's concern about fake news and their willingness to listen to experts show that they yearn for knowledge. The media cannot solve this alone because of economic constraints and the politics of the moment. Every institution must play its part by educating its constituents and joining the public debate, going direct to the end-users of information. That means taking the informed risk to join the battle for truth so that facts triumph over fears.



The State of Trust

Volatility brews beneath a stagnant surface. If a single theme captures the state of the world's trust in 2018, it is this. Even as people's trust in business, government, NGOs and media across 28 markets remained largely unchanged, experiencing virtually no recovery from 2017 (Fig. 1), dramatic shifts are taking place at the market level and within the institution of media.

Globally, 20 of 28 markets lie in distruster territory (Fig. 2), one more than in 2017. Trust among the informed public—those with higher levels of income and education—declined slightly on a global level, from 60 percent to 59 percent, thrusting this group into neutral territory from its once trusting status.

A closer look, however, reveals a world moving apart (Fig. 3). In 2018, two poles have emerged: a cluster of six markets where trust has dramatically increased, and six where trust has deeply declined. Whereas in previous years market-level trust has moved largely in lockstep, for the first time ever there is now a distinct split between extreme trust gainers and losers.

No market saw steeper declines than the United States, with a 37-point aggregate drop in trust across all institutions. The loss of trust was most severe among the informed public—a 23-point fall on the Trust Index—nearly erasing the “mass-class” divide that once stood between this segment of the U.S. population and

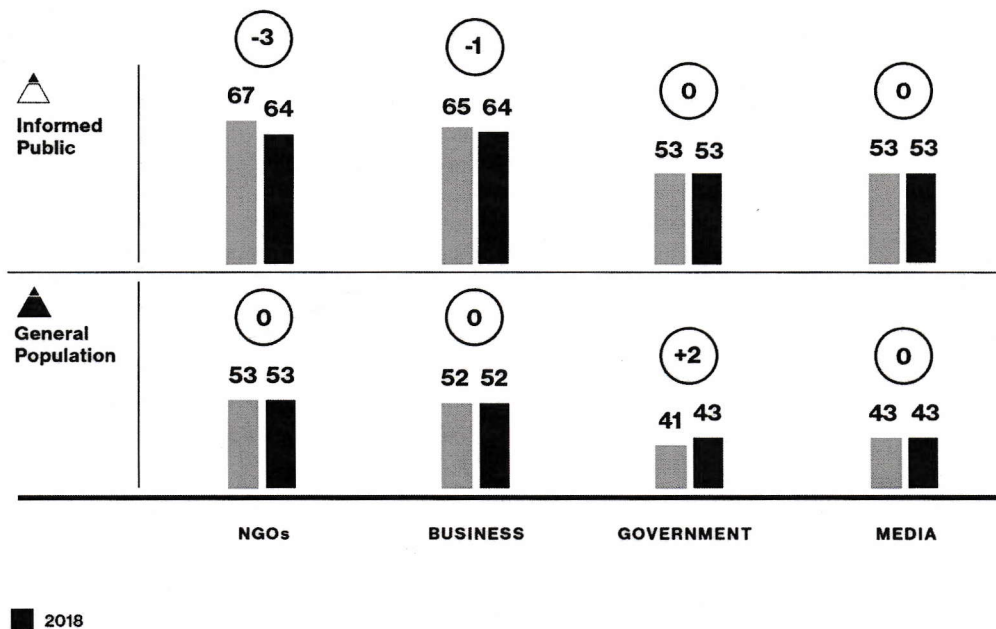
the country's far-less-trusting mass population.

At the opposite end of the spectrum, China experienced a 27-point gain, more than any other market. Following behind in the trust gainer category are the UAE (24 points) and South Korea (23 points).

No Recovery in Trust

Percent trust, 2017 vs. 2018

FIG. 01

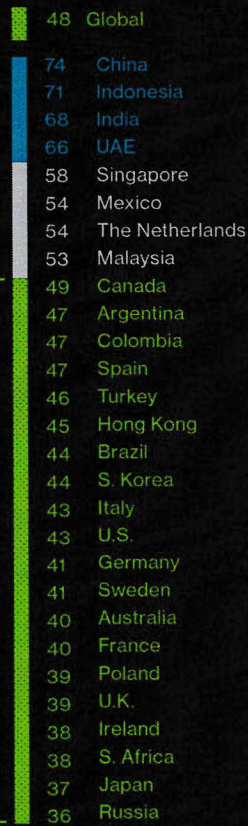


The Trust Index 2018

Average trust in institutions

FIG. 02

General Population



Informed Public



Trusters (>59)
Neutral (50-59)
Distrusters (<50)

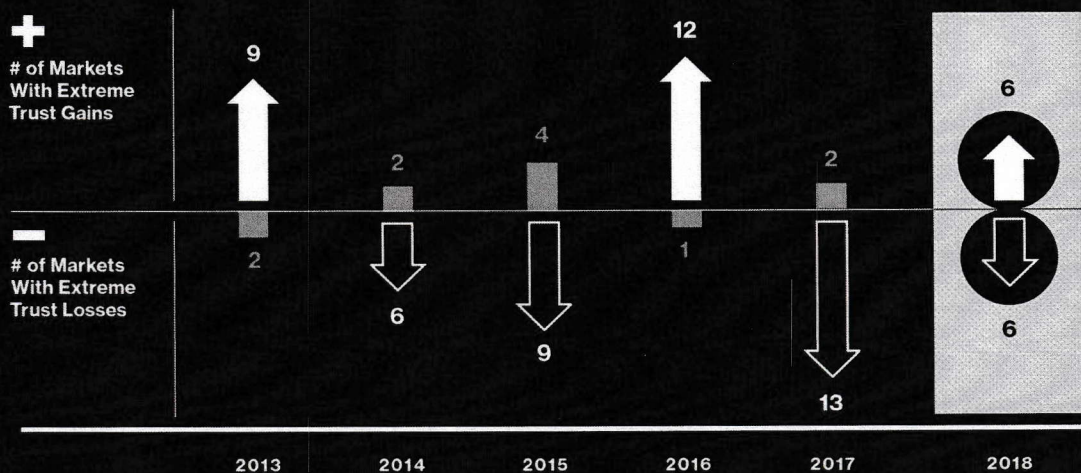
▼ **23**

Last year a Truster at 68, the U.S. has dropped to the bottom of the Index.

A World Moving Apart

Number of markets with extreme changes in aggregate trust in institutions

FIG. 03



Global Leaders Poles Apart

The story of two poles is expressed most clearly in the phenomenon of the world's two largest economies, the U.S. and China, which stand worlds apart in trust (Fig. 4). Across every institution, China experienced gains of five or more points in trust, with an eight-point increase in government leading the way.

Trust among China's young adults (18-34) climbed by eight points; in sharp contrast, U.S. young adults surrendered 12 percentage points. No group experienced greater declines in the U.S. than adults (35-54), with a 14-point falloff in trust.

Similarly, trust among people with higher levels of income in the U.S. fell by 17 points, while that of people with lower income levels took an eight-point dive.

In China, on the other hand, income provides no dividing line for trust's gains or falls. For both higher-income and lower-income groups, trust increased by six points.

Business is viewed as the most broken institution in China; 38 percent say it is the most broken of the four institutions. In the U.S., government is resoundingly seen

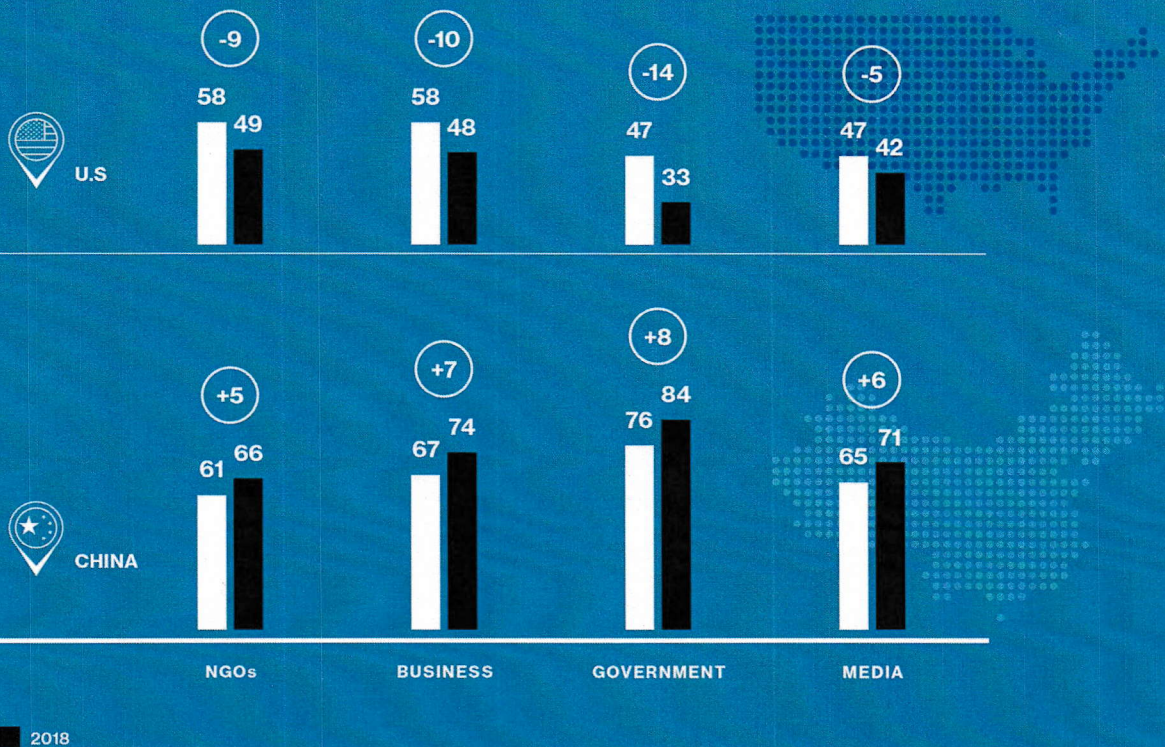
as the institution most in need of repair (59 percent); only seven percent believe that business is the most broken.

When it comes to the institutions best positioned to lead each nation to a better future, there is also a divergence of views. In China, government is seen as most likely to lead the country forward; in the U.S., NGOs claim the role.

U.S. Crashes, China Rises

Percent trust, 2017 vs. 2018

FIG. 04



America in Crisis



Lisa Ross
President,
Washington, D.C.



Stephen Kehoe
Global Chair,
Reputation

In a year marked by turbulence at home and abroad, trust in institutions in the United States crashed, posting the steepest, most dramatic general population decline the Trust Barometer has ever measured.

It is no exaggeration to state that the U.S. has reached a point of crisis that should provoke every leader, in government, business, or civil sector, into urgent action. Inertia is not an option, and neither is silence. The public's confidence in the traditional structures of American leadership is now fully undermined and has been replaced with a strong sense of fear, uncertainty and disillusionment.

Among the informed public, the trust crash is even steeper, with trust declining 23 points, dropping the U.S. from sixth to last place out of the 28 markets surveyed. The informed public trust crash is universal across age, region and gender. As a result, the gap in trust between the informed public and the mass population has been all but eliminated.

In the search for explanation, context helps. For sure, it has been a year of exceptional public opinion volatility. Record rises in the stock market and the lowest unemployment rates in 10 years have been juxtaposed with stagnant wage growth, and public concerns over jobs, mass shootings, sexual harassment, and police treatment of black youth, not to mention the emerging fears on the global stage over North Korea, job migration and U.S. isolationism.

The result is an unsettled and unnerved public at large. Vast swaths of Americans no longer trust their leaders. Government had the steepest decline (14 points) among the general population. Fewer than one in three believe that government officials are

credible. But no one is off the hook: trust in other institutions (business, NGOs and the media) fell heavily as well.

In losing the battle for trust, the biggest victim has been confidence in truth. Persistent references to fake news, linked to headlines around foreign government election manipulation have, unsurprisingly, had a cumulative, deep effect on the public. The inability to stem the perceived surge in disinformation has proven toxic: 63 percent of the U.S. general population finds it difficult to distinguish between what is real news and what is fake.

In this year's survey there have been only losers, including business: the turmoil has had a clear, negative effect on Brand USA. Trust in companies headquartered in the U.S. has dropped five points from 55 to 50 percent just in the last year, after having already fallen from 61 percent in 2014. This is much below trust accorded companies based in Canada and Switzerland at 68 and 67 percent, respectively.

The uncertainty of the moment is palpable. The public is fearful, and trust is disturbingly low.

In this context, leadership is desperately sought and opportunities to step up are clear, starting with a new commitment to advancing a shared understanding of the

truth, and a determination to stand tall in addressing the fears of Americans. Silence and inaction are not options, and no work is more important than re-establishing trust.

No one institution will succeed in rebuilding trust on its own. Business and CEOs have a critical role to play. Brian Moynihan of Bank of America put it well: "Our job as CEOs now includes driving what we think is right. It's not exactly political activism, but it is action on issues beyond business."

The issues around which an individual business should engage will differ depending on the company and industry sector, but each has urgent issues that must be addressed. Social media platforms must act on "fake" news feeds and advertisers on information privacy; the financial service sector needs to shine a clearer light on the rise of crypto-currencies; manufacturers must allay fears about the export of jobs; and a growing cross-section of industries must address the malaise around job automation, from truck drivers to retail workers.

Speaking up requires courage and conviction. There will be no shortcut to rebuilding trust in America. Government, business, NGOs and the media will need to work together to find a new foothold with the public, one that is firmly grounded in a commitment to truth.



Steve Schmidt
Vice Chairman,
Public Affairs

This year's shattering loss of trust in the United States represents a hinge moment in history. We're at the end of the lifespans of the men and women who stormed the beaches of Normandy, who saved the world and built the U.S. liberal-led world order. Now that order seems to be unraveling in many directions. And we haven't yet seen leadership in any area that promises to put us back onto a trajectory of trust.

In Search of Truth

Despite the polarization of trust, if there is agreement on anything in 2018 it is that fake news is a deep cause for concern.

Globally, nearly seven in 10 respondents among the general population worry about fake news or false information being used as a weapon (Fig. 5). Sixty-three percent agree that the average person does not know how to distinguish good journalism from rumor, and 59 percent say that it is getting harder to tell if a piece of news was produced by a respected media organization.

At the same time, people are becoming increasingly skeptical of news organizations, with a majority saying that news organizations are more focused on attracting large audiences than reporting the story (66 percent), breaking news over communicating with accuracy (65 percent), and supporting an ideology or political position over informing the public (59 percent).

The consequence is that half of the general population has become disengaged (Fig. 7), consuming news produced by major news organizations less than once a week.

These concerns and actions have had a dramatic impact on trust in the media overall. In 22 of 28 markets, media is now distrusted. There is a widespread belief that media is failing to meet key societal expectations—receiving scores of 50 percent or less when it comes to guarding information quality, educating people on important issues, and helping inform good life decisions.

A closer look at media also reveals that people's definition of media is broad and wide (Fig. 6). People agree that platforms—including social media and search engines—are part of “the media,” alongside journalism, or publishers and news organizations.

In conjunction with this expanded definition of media—and as another

proof point of the volatility that now lies beneath the surface—we see a bifurcation of trust between journalism and platforms (Fig. 8). Trust in journalism jumped five points in 2018 (to 59 percent), whereas trust in platforms dipped two points (to 51 percent)—amounting to a seven-point spread today between the two.

Although nearly half of people say they don't trust platforms, they rely on them for news. Even as this segment of the media experienced trust declines in 21 of 28 markets, nearly two-thirds of people say they receive news from platforms.

Whether publisher or platform, the consequence of media failing to do its job is profound: a direct loss of trust for government leaders, companies and brands. More alarming is the fact that nearly six in 10 say they do not know where the truth lies.

Nearly 7 in 10 Worry About Fake News Being Used as a Weapon

FIG. 05



The average person does not know how to tell good journalism from rumor or falsehoods.

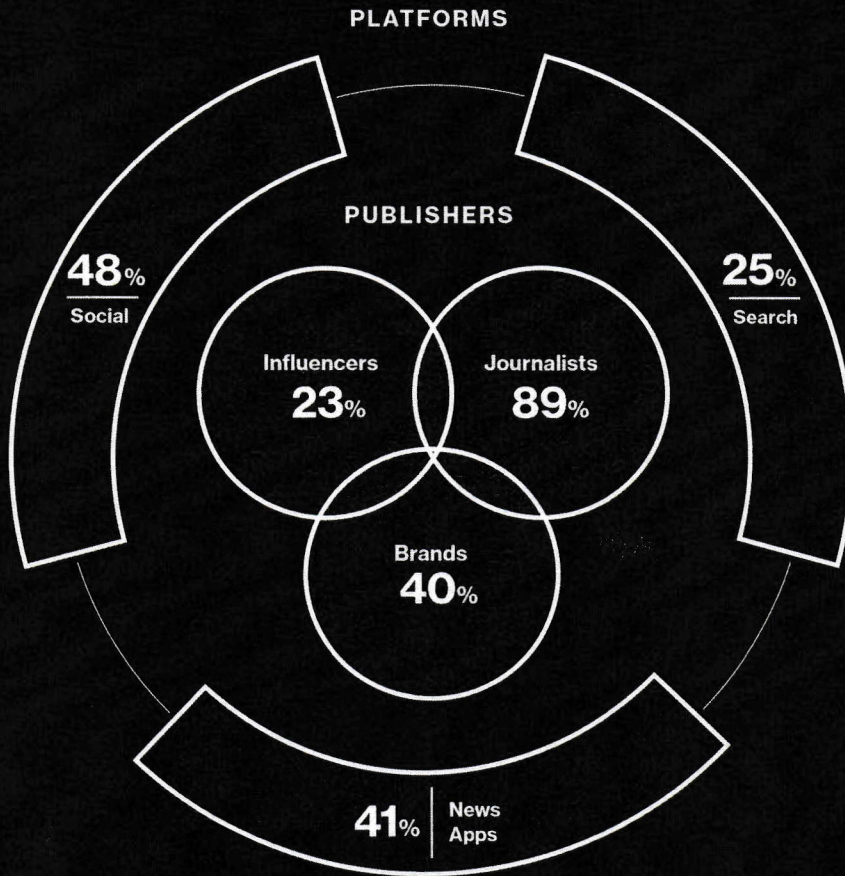


It is becoming harder to tell if a piece of news was produced by a respected media organization.



A Fractured Media

FIG. 06 People Define "Media" as Both Publishers and Platforms
Percent who include each in their definition of media



65%
of people consume news through various platforms.

FIG. 07 Half Are Disengaged from the News

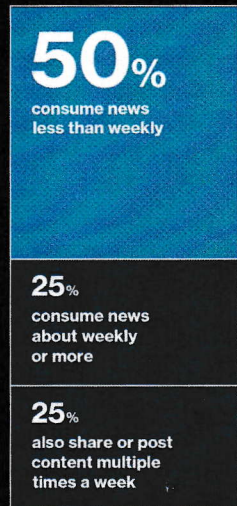
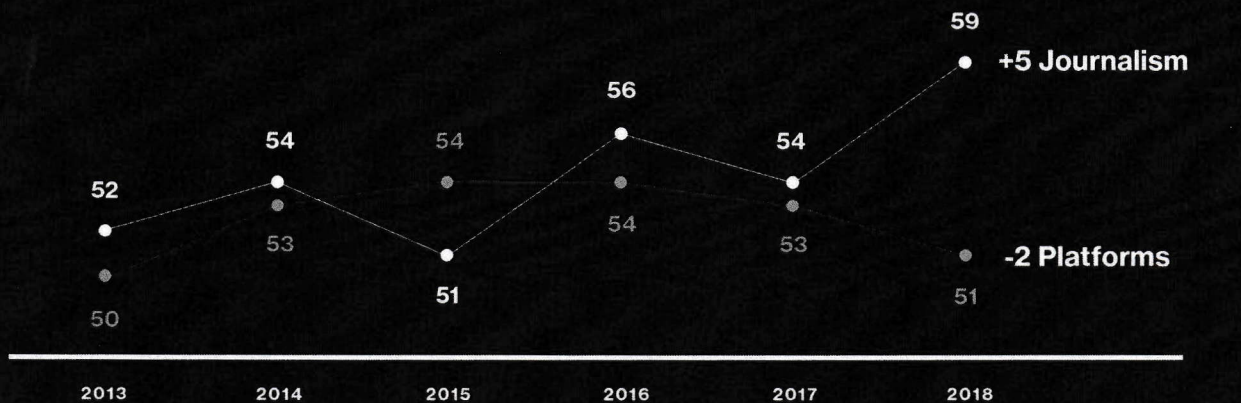


FIG. 08 Trust in Journalism and Platforms Diverge
Percent trust, 2013-2018



The Return of Experts

In a world where media confusion is causing a churn of trust, voices of authority are now regaining credibility (Fig. 10). CEOs recorded a seven-percentage point gain, and journalists have risen 12 points since 2017. In contrast, a “person like yourself” has dipped to an all-time low in the study’s history.

Expert voices across business registered broad gains in credibility, with the net effect of technical experts, financial industry analysts, and successful entrepreneurs all enjoying credibility levels of 50 percent or higher today. Government officials or regulators are the least credible at 35 percent, despite a six-percentage point increase from the previous year.

The growing regard for voices of authority is in accordance with the mounting expectations for today’s businesses, and CEOs specifically, to lead. Sixty-four percent agree that CEOs should take the lead on change rather than waiting for government to

impose it. Moreover, the believability of a business’ analysis of an important social issue (46 percent) is nearly on par with that of a major news organization (54 percent).

Employees also give their employers a runway for leading on change. The 2018 Trust Barometer shows strong levels of employees’ trust in their employers to do what is right, with a global average of 72 percent trust (Fig. 9). In only two countries—Japan and South Korea—are trust levels below 60 percent.

The trust-building mandates that business should address vary by market, and specifically they vary by whether a market is dramatically losing or gaining trust (Fig. 11). In markets where trust is on the rise or stable, business must invest in jobs and a competitive workforce. In markets with extreme trust losses, protecting consumers and their privacy, and also guarding information quality, must be priorities.

Employers Trusted Around the World

FIG. 09



FIG. 10

Voices of Authority Regain Credibility

Percent who rate each spokesperson as very/extremely credible, and change 2017-2018

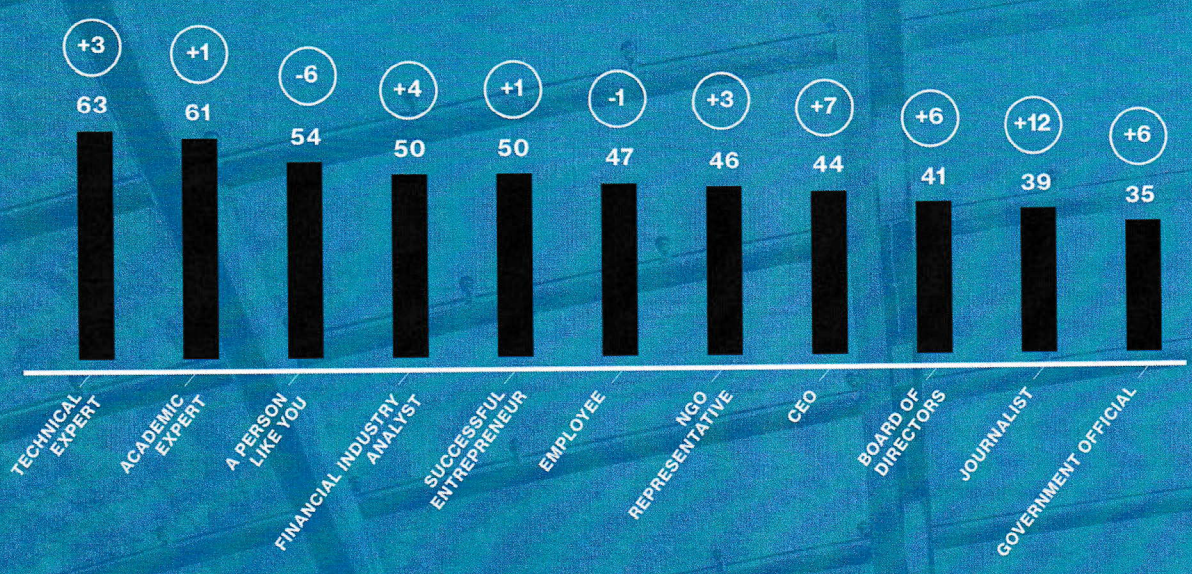


FIG. 11

Business Must Address Market Dynamics

Trust-building mandates for business



- Invest in Jobs
- Protect Consumers
- Improve Quality of Life
- Ensure Competitive Workforce
- Innovate

- Invest in Jobs
- Promote Equal Opportunity
- Safeguard Privacy
- Drive Economic Prosperity
- Provide for Future Generations

- Guard Information Quality
- Protect Consumers
- Safeguard Privacy
- Drive Economic Prosperity
- Innovate

Trust Shifts Worth Watching



Ben Boyd
President,
Practices, Sectors and
Intellectual Property

After 18 years of studying trust, we have developed a sense of how world events and economics will likely affect people's trust in institutions, markets, and sectors. But sometimes what we see in the data causes us to take notice.

This year's study was fielded in a year marked by the rise of disinformation and a questioning of what and who to believe. Four key observations stand out as noteworthy for what they suggest about these volatile times.

As the problem of global disinformation evolves, these noteworthy findings will be closely watched by all who are concerned about truth. Only time will tell if these are one-time shifts or the beginning signals of a populace looking for believability in a post-truth world.

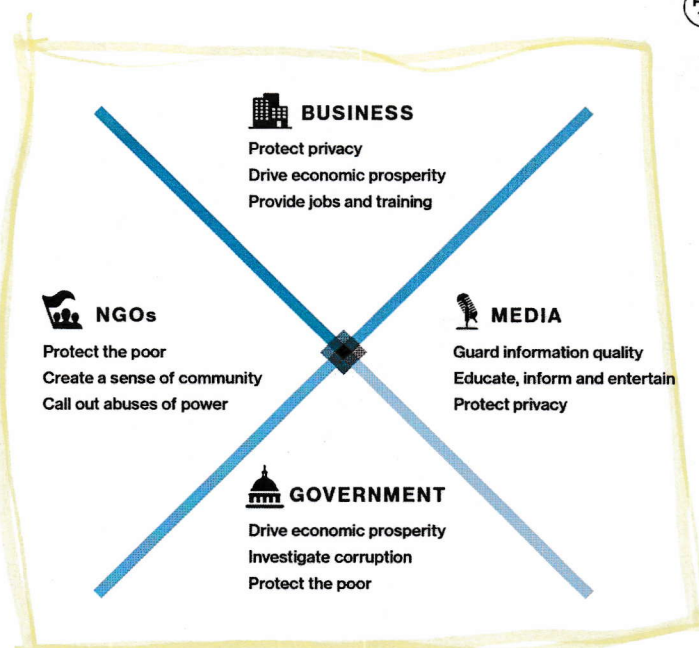
- The credibility of “a person like yourself” began to wane in 2016, and now that the truth itself is under assault, it’s at an all-time low. People have a renewed faith in credentialed voices of authority. This year’s rise in the credibility of experts suggests that peer information may be under greater scrutiny in the days ahead.
- When fake news threatens real news, the origin of content begins to matter more. We see this concern expressed in the rise in trust of journalism while trust in social networks and search are declining. And while the technology sector as a whole remains the most trusted in our study, it appears technology-powered social networks and search are being questioned for the first time at scale.
- Economics can be trumped by deeper, more essential concerns about truth, believability and the overall trust trajectory or “psyche” of a population—consider this year’s trust crash in the U.S. at a time when the country is experiencing strong economic performance.
- NGOs have historically been trusted as a remedy for social ills left unaddressed by government. But when government is distrusted and media no longer is perceived to serve as its watchdog, both NGOs and business can fill the role of providing reliable information about—and solutions for—the issues that people care about. Our study began 18 years ago with a focus on NGO trust; today, business and NGOs are viewed equally as the institutions holding the most hope for our respondents.

Every Institution Must Contribute to Truth

For 18 years, the Edelman Trust Barometer has asked respondents: “How much do you trust an institution to do what is right?” This year, for the first time, we also asked what their expectations are for the roles that each institution must fill in society (Fig. 12).

The most important individual trust-building mandates—and where they overlap (e.g., both business and media are expected to “protect privacy”)—point to a belief that institutions must work singularly as well as in partnership to restore trust and create a stronger social fabric.

Pervasive distrust and growing concern about disinformation will be combatted only through informed, responsible education on the issues and through the four institutions’ willingness to collaborate—with one another and with the people they collectively serve.



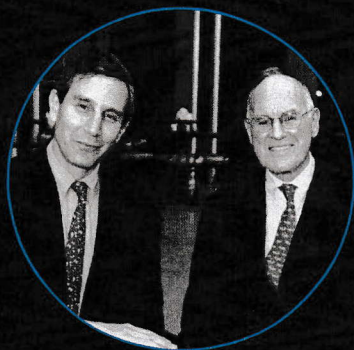
About Edelman

Edelman is a leading global communications marketing firm that partners with many of the world's largest and emerging businesses and organizations, helping them evolve, promote and protect their brands and reputations. Founded in 1952 by the late Dan Edelman, the firm remains an independent, family-run business.

Edelman was awarded the Grand Prix Cannes Lion for PR in 2014; six Cannes Lions in 2015; and the Grand Prix in the Titanium category in 2016. The firm was named "2016 Global Agency of the Year" by the Holmes Report, and one of Advertising Age's "Agencies to Watch" in 2014. In 2015, Edelman was among Glassdoor's "Best Places to Work" for the fourth time.

Edelman owns specialty firms Edelman Intelligence (research) and United Entertainment Group (entertainment, sports, lifestyle), a joint venture with United Talent Agency.

Visit edelman.com for more information.



Richard Edelman and
Dan Edelman

