



2017 Executive Summary



Methodology

Online survey in 28 countries
17 years of data
33,000+ respondents total
25-minute survey
All fieldwork was conducted between
October 13th and November 16th, 2016

▲ General Online Population

Six years in 25+ markets
1,150 respondents per country
Ages 18+

▲ Informed Public

Nine years in 20+ markets
500 respondents in U.S. and
China; 200 in all other countries
Represents 13% of total population

Must meet four criteria:

Ages 25-64

College educated

*In top 25% of household income
per age group in each country*

*Report significant media consumption and
engagement in business news and public policy*

▲ Mass Population

All population not including
Informed Public

The 2017 Edelman Trust Barometer is the firm's 17th annual trust and credibility survey. The research was conducted by Edelman Intelligence, a global insight and analytics consultancy.

On the cover, from top right: WikiLeaks founder Julian Assange prepares to speak from Ecuadorian embassy balcony in London: Getty Images/Tolga Akmen/Anadolu Agency; South Korean President Park Geun Hye expresses her readiness to resign: Getty Images/Pool/Kyodo News; Assad regime hits civilians in Aleppo: Getty Images/Ibrahim Ebu Leys/Anadolu Agency; President-elect Donald Trump on his 'Thank You Tour' in Grand Rapids, Michigan: Getty Images/Drew Angerer; Pro-Brexit demonstrators call for government to trigger Article 50: Getty Images/Jack Taylor; Barcelona FC's Leo Messi testifies in 'Panama Papers' fraud case: Getty Images/Alberto Estevez - Pool; Theranos founder and CEO, Elizabeth Holmes photographed for *Forbes* on September 22, 2014 on Theranos campus: Getty Images/Ethan Pines/Forbes Collection/Corbis; New York Post December 6, 2016, issue covers Amazon's new supermarket without cashiers; impeached President Dilma Rousseff delivers her farewell address in Alvorado Palace in Brazil: Getty Images/Mario Tama.



Contents

02 An Implosion of Trust

04 The State of Trust

**06 A Loss of Belief
in the System**

**08 Where Trust Is Low,
Action Intensifies**

**10 The Echo
Chamber Effect**

12 Business Is on Notice

**14 Business: The Last
Retaining Wall**

16 With the People



An Implosion of Trust

Richard Edelman | President and CEO

It has been a year of unimaginable upheaval. The incumbent party or elected head of state in five of the top 10 global economies (Brazil, Italy, South Korea, U.K., U.S.) has been deposed or defeated. Populist candidates are leading or growing in strength in upcoming elections in France and Germany. The U.K. voted to exit the European Union. There have been violent terrorist acts in Belgium, France, Germany, and the U.S., plus the never-ending tragedy in Syria. Bribery has been exposed at some of Brazil's leading companies, with CEOs sent to jail. An American unicorn health diagnostics start-up with a sterling board of directors and huge private financing was found to have falsified its clinical trials. The release of the Panama Papers proved tax evasion on a global scale by business moguls and superstar athletes alike. The mainstream media lost audience as its advertising melted away and it confronted the specter of fake news.

The 2017 Edelman Trust Barometer finds that two-thirds of the countries we survey are now “distrusters” (under 50 percent trust in the mainstream institutions of business, government, media and NGOs to do what is right), up from just over half in 2016. This is a profound crisis in trust that has its origins in the Great Recession of 2008. The aftershocks from the stunning meltdown of the global economy are still being felt today, with consequences yet unknown.

Like the second and third waves of a tsunami, ongoing globalization and technological change are now further weakening people's trust in global institutions, which they believe have failed to protect them from the negative

effects of these forces. The celebrated benefits of free trade – affordable products for mass consumption and the raising of a billion people out of poverty – have suddenly been supplanted by concerns about the outsourcing of jobs to lower-cost markets. The impact of automation is being felt, especially in lower-skilled jobs, as driverless trucks and retail stores without cashiers become reality.

We have moved beyond the point of trust being simply a key factor in product purchase or selection of employment opportunity; it is now the deciding factor in whether a society can function. As trust in institutions erodes, the basic assumptions of fairness, shared values and equal opportunity traditionally upheld by “the system” are no longer taken for granted. We observe deep disillusion on both the left and the right, who share opposition to globalization, innovation, deregulation, and multinational institutions. There is growing despair about the future, a lack of confidence in the possibility of a better life for one's family. The 2017 Edelman Trust Barometer finds that only 15 percent of the general population believe the present system is working, while 53 percent do not and 32 percent are uncertain.

The lack of societal and institutional safeguards provides fertile ground for populist movements fueled by fear. Corruption and globalization are the top two issues for the general population, with two-thirds of the public concerned and nearly a third deeply worried about these economic factors. But there also is a deep unease about issues related to personal safety or family life, including

erosion of social values, immigration and rapid pace of change. Countries that combine a lack of faith in the system with deep societal fears, such as France, Italy, South Africa, the United States, and Mexico, are electing or moving towards populist candidates.

These macro trends are causing destabilizing aftershocks, with important negative consequences for trust:

First, the trust collapse has moved beyond a simple “class vs. mass” problem to a systemic threat. More than three-quarters of respondents among both informed and general populations agree that the system is biased against regular people and favors the rich and powerful. Although we have reached unprecedented trust gaps between the informed public and the mass population averaging nearly 20 points in the U.S., U.K. and France (and gaps of 10 or more points in strong economies such as India and China), the waves of anger are now lapping at even the top rungs. Close to half of the “informed public” – adults 25-64 with a college education, in the top 25 percent of income, and consume large amounts of media – have lost faith in the system.

Second, there is a lack of belief in leaders, who damage the stature of their institutions. We now observe a huge divide between the modest trust in institutions of business and government and a pitifully low level of confidence in their leaders. Over two-thirds of the general population do not have confidence that current leaders can address their country's challenges. The credibility of CEOs fell by 12 points this year to 37 percent



globally; in Japan, it is 18 percent. Government officials and regulators are the least credible spokespeople, at 29 percent credibility. “A person like yourself” is now as credible as an academic or technical expert, and far more credible than a CEO or government official, implying that the primary axis of communications is now horizontal or peer-to-peer, evidence of dispersion of authority to friends and family.

Third, we’ve registered the demise of government as an effective force in leading change. From an exalted position as savior in the wake of the financial crisis, government is viewed today as incompetent, corrupt and divided, the least trusted global institution at 41 percent. The drop in government trust began five years ago in developed markets, with the inability of the European Union to fashion a compromise on loans to Greece and Portugal, plus the budget impasse in Washington, D.C. In developing markets such as Brazil, Mexico and South Africa, trust in government collapsed in the past four years in the wake of scandals; in Brazil, it slid from 36 percent in 2013 to 24 percent in 2017. Trust in government is now as much as 43 points below that of business in developing markets; in developed markets, it’s 25 points lower.

Fourth, the media, the vaunted Fourth Estate in global governance, plunged in trust this year, distrusted in more than 80 percent of the countries we survey, to a level near government. Media is now seen to be politicized, unable to meet its reporting obligations due to economic pressures, and following social media rather than creating the agenda. Donald Trump circumvents mainstream media with his Twitter account, in this way seeming more genuine, approachable and responsive. Technology has allowed the creation of media echo chambers, so that a person can reinforce, rather than debate, viewpoints. In fact, 59 percent of respondents would believe a search engine over a human editor. It is a world of

self-reference, as respondents are nearly four times more likely to ignore information that supports a position that they do not believe in.

Business has much to fear in the present context. Nearly one in two of the general population agree that free trade agreements hurt a country’s workers, while 72 percent favor government protection of jobs and local industries, even if it means a slower-growth economy. Populist-fueled government could implement harsh regulation of specific industries such as manufacturing and technology, and a ban on immigration, even of skilled workers. There could be industrial policy aimed at supporting strategic sectors, from tariffs on imported products to negotiations aimed at preventing outsourcing of jobs. It would be the greatest folly for CEOs to press populist leaders for less regulation – particularly in the environmental arena. Fifty-two percent of the general population say a company’s effort to protect and improve the environment is important for building their trust.

We are in treacherous seas, without the firm moorings of a reliable government able to set easily understandable guideposts. We have lost the objectivity and shared experience of media as a watchdog on institutions. Non-governmental organizations are focused on issues of the most vulnerable but are ineffective advocates for the dispossessed middle class. Business needs to play the role of the solid retaining wall that stops the uncontrollable storm surge, to fill the void left by the other three institutions in global governance.

Institutions must move beyond their traditional roles of business as actor and innovator; governments as referee and regulator; media as watchdog; and NGOs as social conscience. The new president of the United States is inserting himself directly into business decision-making, recently strong-arming an automaker to keep its manufacturing jobs in the country.

Business must get out in front and become an effective advocate on policy, moving away from lobbying toward direct public discourse that provides context on trade, immigration and innovation, outlining both benefits and disadvantages. Company-owned social media channels should supplement mainstream media to educate and to encourage dialogue. Business should provide citizens with platforms that invite them to help shape policy – giving them a positive outlet for their views and fears.

The growing storm of distrust is powerful and unpredictable. Trust in institutions has evaporated to such an extent that falsehood can be misconstrued as fact, strength as intelligence, and self-interest as social compact. This has been a slow-motion meltdown, an angry delayed recognition of permanent decline in economic and social status by those who have not kept pace with globalization and dramatic technological change. If faith in the system continues to fall, rising populist movements could wreak unimaginable havoc, with resurgent nationalism and divisive rhetoric moving to dangerous policies. The onus is now on business, the one institution that retains some trust with those skeptical about the system, to prove that it is possible to act in the interest of shareholders and society alike. Free markets can succeed for all if business works with the people, not just sells to them.

The State of Trust

Trust in all four institutions — business, government, NGOs, and media — to do what is right declined broadly in 2017, a phenomenon not recorded since Edelman began tracking trust. Two-thirds of countries now fall into “distruster” territory, with trust levels below 50 percent.

Further underscoring the trust crisis is the lack of credibility of leadership. Only 37 percent of the general population now

say CEOs are credible, and 29 percent say the same about government officials.

In lockstep with the falloff in trust, 2017 also witnessed a continuing, growing divide between the informed public and the mass population, shown at right. What began as a nine-point gap in 2012 has now grown to a 15-point gap in trust between those with higher levels of income and education (60 percent), and the less trusting mass population (45 percent).

Media declines the most. Media is distrusted in 82 percent of countries. In only five — Singapore, China, India, Indonesia, and the Netherlands — is media trust above 50 percent.

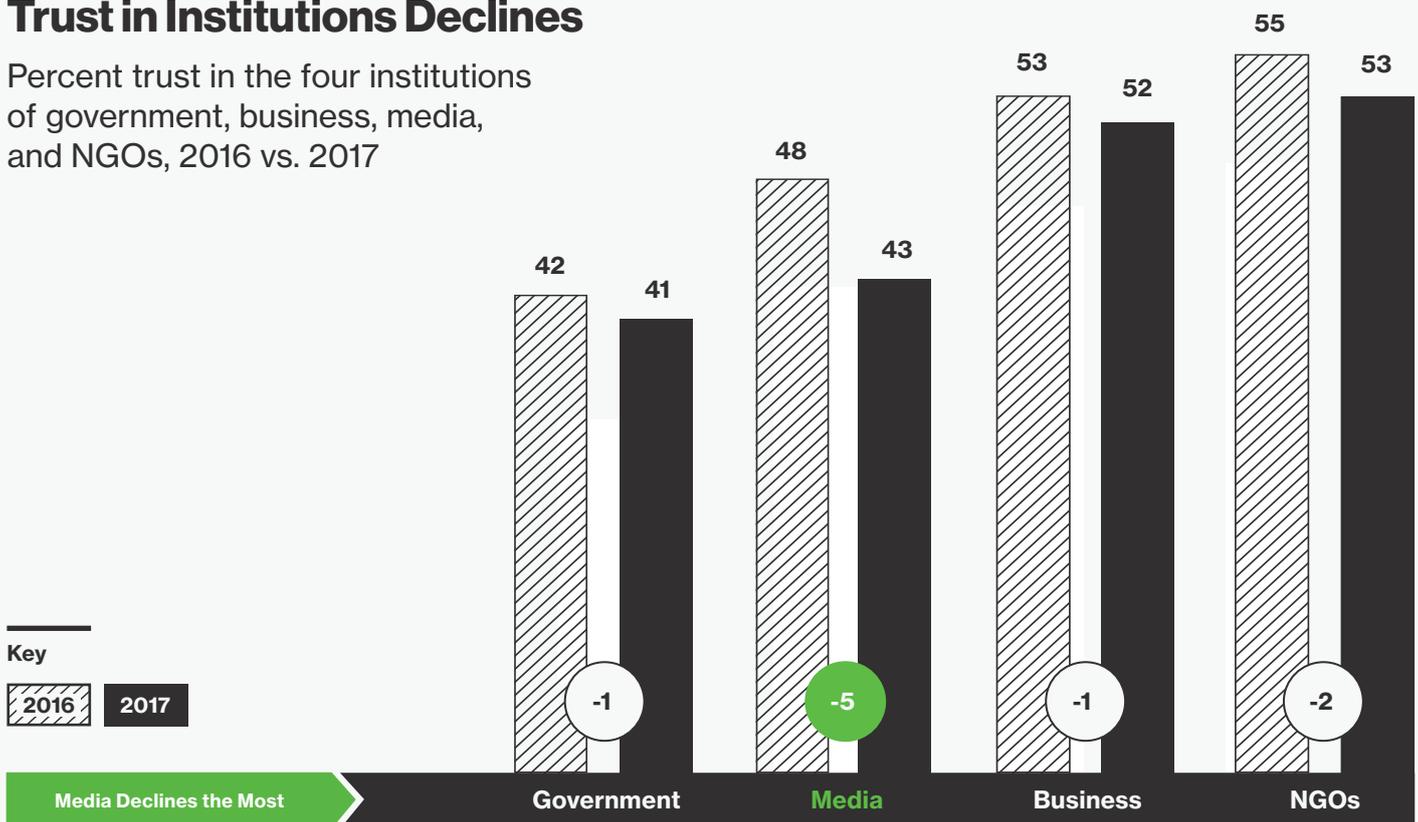
Trust in NGOs drops. For the first time, trust in NGOs has fallen to nearly the same level as trust in business. In the GDP 5 — the U.S., China, Japan, Germany and the U.K. — trust in NGOs fell below 50 percent.

Trust in government further evaporates. Government is now distrusted in 75 percent of countries.

Business is on the brink of distrust. In 13 of 28 countries, business is distrusted.

Trust in Institutions Declines

Percent trust in the four institutions of government, business, media, and NGOs, 2016 vs. 2017



Key

Trusters (>59)

Neutral (50-59)

Distrusters (<50)

The Mass Population distrusts institutions in 20 of 28 countries.

Trust Index: Mass Population Left Behind

Average trust in institutions, Informed Public vs. Mass Population, 2017



A Loss of Belief in the System

Distrust in all four institutions has resulted in a belief by the majority that the system is failing them. This is a sentiment shared by individuals across the income and education scale, including nearly half of those in three groups: the top quartile of income, the college-educated, and the well-informed.

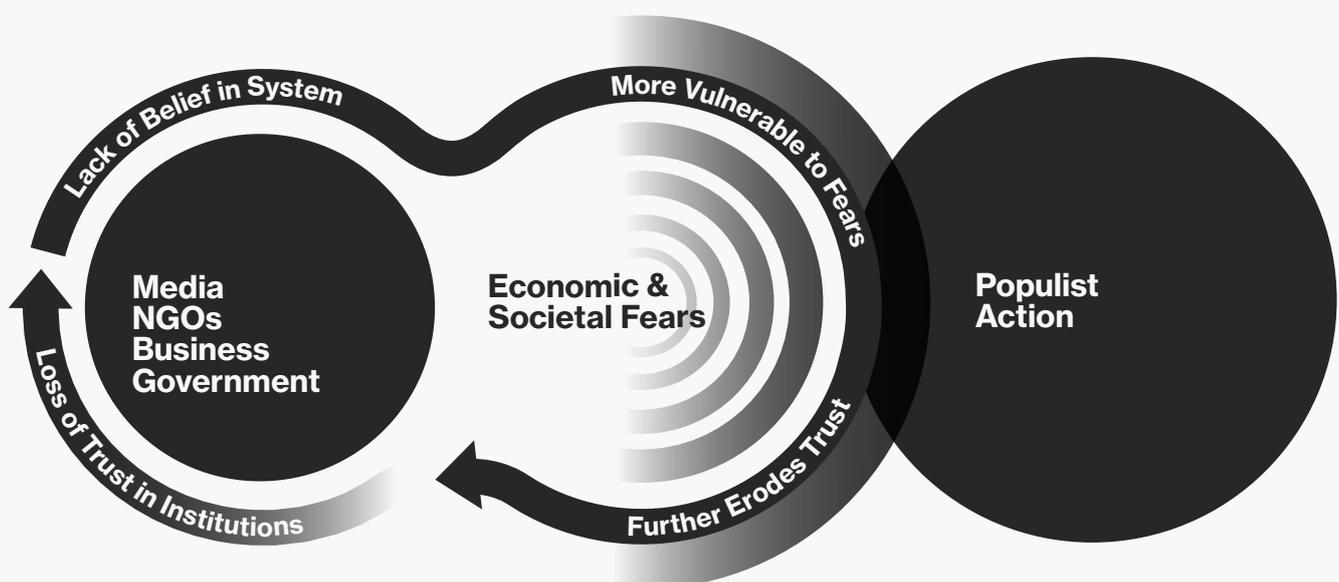
The 2017 Trust Barometer explored a series of questions relating to individuals' feelings about the equality of the system, confidence in its leaders, hope for the future, and desire for change. The sum finding was that **53 percent** believe the system is failing them, **32 percent** are uncertain, and 15 percent believe it is working today.

In tandem with trust in institutions and belief in the overall system, the Trust Barometer also examined societal concerns around a number of topical issues. The findings evidence not only broad concerns, but pronounced fears. The most critical issues of concern are corruption, globalization, eroding social values, immigration, and the pace of innovation.

85% of respondents lack full belief in the system.

It's a perfect storm. Declining trust in society's institutional pillars has fueled the belief that the system is 'no longer working for me.' In that climate, mild societal concerns expand into full-blown fears, which are now spurring the actions, uprisings, and dramatic transfers of power we are seeing in key Western markets. This loss of belief in the system played a pivotal role in the outcome of the U.S. election. In a post-election flash poll of 1,000 people, 67 percent of Trump voters were found to hold one or more pronounced societal fears, compared to 45 percent of Clinton voters.

Stephanie Lvovich
Global Chair, Public Affairs

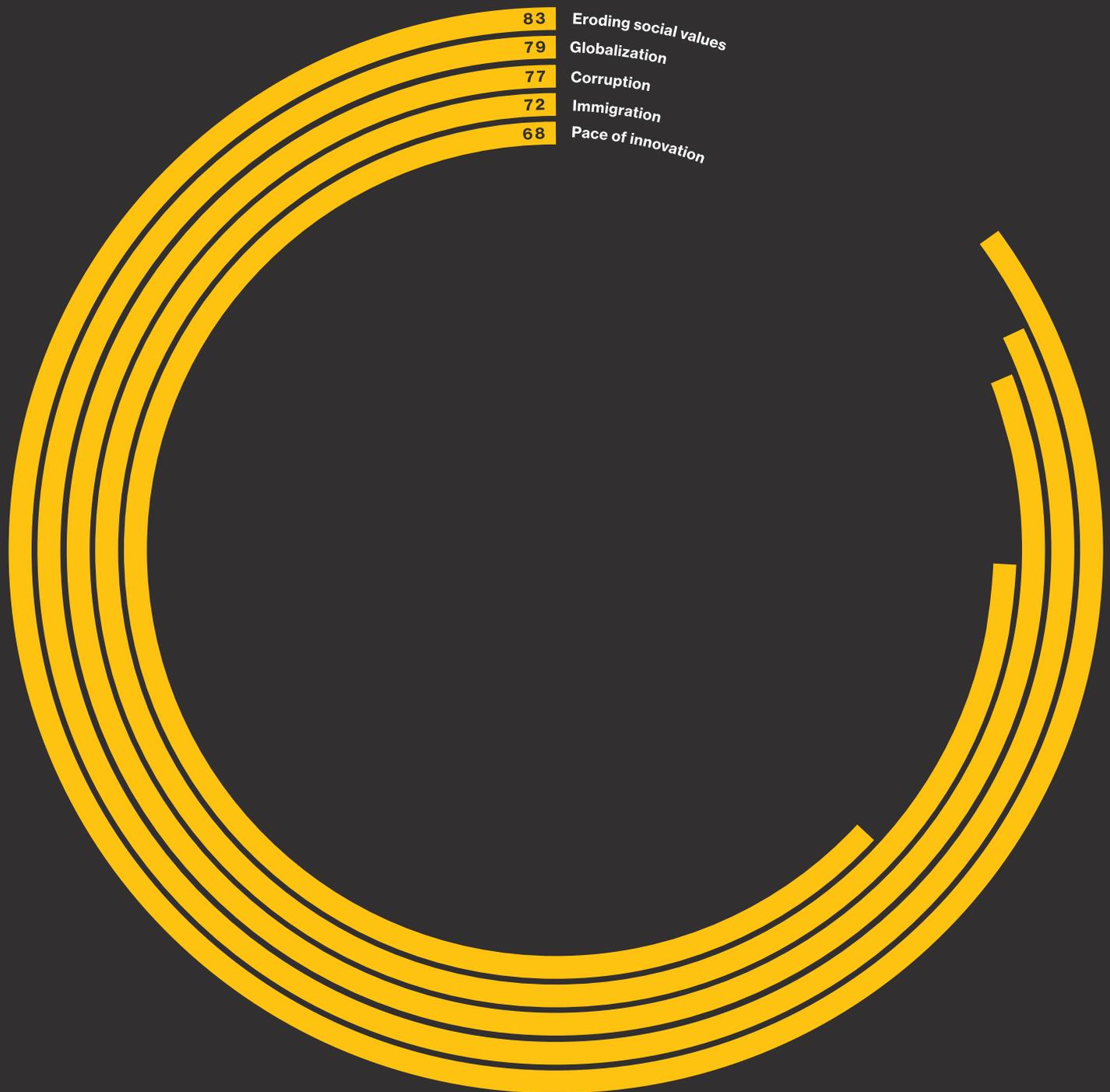


Fears Further Erode Belief in the System

Percent of respondents
with each fear who also believe
that the system is failing them

Key

System Failing



Key

Countries with multiple fears and above-average belief that the system is failing

Countries without fears but an above-average belief that the system is failing

Countries that are uncertain whether the system is failing

Countries that believe the system is working

Number of fears (5-0) represented by dot size

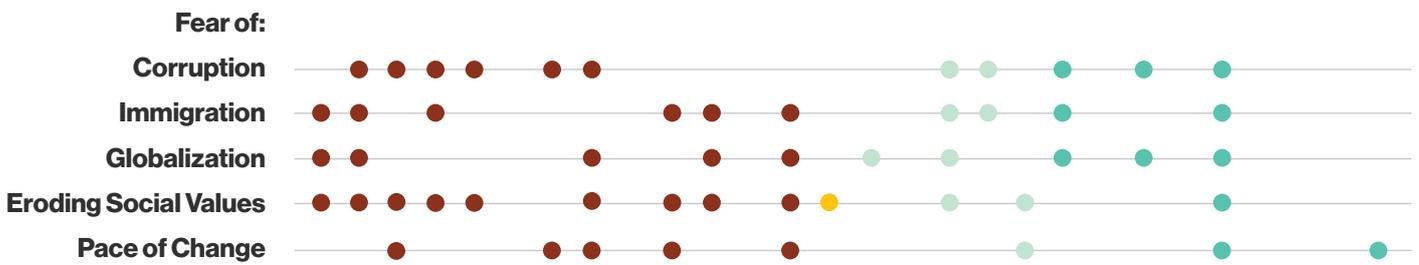


Where Trust Is Low, Action Intensifies

Widespread belief that the system is broken increases a person's vulnerability to fear, ultimately causing deeper distrust in institutions. The combination of distrust in institutions, a lack of faith in the system, and a climate marked by pronounced societal and economic fears ultimately gives rise to an increase in populist action.

Over one in two countries no longer believes the system is working. Countries that combine low levels of faith in the system with multiple societal fears are the very places where reactive movements against the elite have found fertile ground. The map at right shows the intensity of the combination.

As the map highlights, there are 19 countries where the sense that the system is not working has become the prevailing sentiment among the general population. Note that this sentiment is specific to Western-style democracies, with the most intense levels in Western Europe, Latin America, and the United States. In less democratic areas of the world, distrust is being expressed through the emergence of dissent and opposing voices.



% Who Agree System is Failing

France	72	Italy	72	Mexico	67	S. Africa	67	Spain	67	Poland	64	Brazil	62	Colombia	62	Germany	62	U.K.	60	Australia	59	Ireland	59	U.S.	57	Netherlands	56	Canada	55	Sweden	55	Argentina	53	Malaysia	52	Turkey	51	Russia	48	S. Korea	48	Indonesia	42	Japan	42	India	36	Hong Kong	35	Singapore	30	China	23	UAE	19
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The Echo Chamber Effect

Fueling the cycle of anxiety and distrust is the emergence of a media echo chamber that elevates search engines over editors and reinforces personal beliefs while shutting out opposing points of view.

Within this climate, for the first time ever, “a person like yourself” is now as credible of a source for information about a company as a technical or academic expert. Meanwhile, credibility of CEOs has dipped to an all-time low of 37 percent – a 12-point decline in a single year.

In this new world, the hierarchy of official sources has been upended. Sixty-four percent of the general population say they find leaked information more believable than press statements. Fifty-five percent say individuals are more believable than institutions, and a company’s social media page is more believable than advertising.

In tandem, spontaneous speakers are more believable than those who are rehearsed, and those who are blunt and outspoken are more believable than those who are diplomatic and polite. Finally, respondents say they value personal experiences as much as, if not slightly more than, data and statistics when it comes to believability.

Trust in Online Sources Rises as Traditional Media Falls

Percent trust in each source for general news and information

2012 - 2017:

41% Social media	-3
43% Media institution	-3
43% Owned media	+2
51% Online-only media	+5
57% Traditional media	-5
64% Search engines	+3

The emergence of the echo chamber is directly correlated to the dawn of the age of technology platforms. Now that these platforms are the primary way we discover and consume information, it has made it easy for billions of people to tune more deeply into proximate peers, tune out all others and validate their worldview. In this environment, where individuals matter more than institutions, businesses of all kinds will need to empower their employees to cultivate communities and build authentic relationships the same way that influencers do. Perhaps nowhere is this more critical than for the press. To regain trust, it will need to encourage their journalists to do the same.

Steve Rubel
Chief Content Strategist

6 in 10

nearly

believe search engines over human editors

53%

do not regularly listen to people or organizations with whom they often disagree

4x

nearly

more likely to ignore information that supports a position they do not believe in

Peers Are Now as Credible as Experts

Percent who rate each spokesperson as extremely/very credible 2016 vs. 2017



Key



Business Is on Notice

While trust in business remains higher than that of government or media, this is not to imply that business is in the clear. On the contrary, the 2017 Edelman Trust Barometer findings paint a picture of a public hungry for increased regulation for business and largely supportive of a number of anti-business policies.

For instance, 82 percent say the pharmaceutical industry needs more regulations. Seventy percent of the general population believe policymakers should tax foods that negatively impact health. Fifty-three percent do not feel financial market reforms have achieved their intended effect of increasing economic stability.

Perhaps most concerning, however, is the connection between the public's fears and business' role in worsening them. Sixty percent of the general population surveyed worries about losing their jobs due to the impacts of globalization and foreign competition. More than half say the pace of change in business and industry is moving too fast.



Business Plays a Role in Fueling Societal Fears

Global population worries about losing their jobs due to:





Support for Anti-Business Policies

Protectionism

47% agree

“We should not enter into free trade agreements because they hurt our country’s workers.”

Slower Growth

72% agree

“The government should protect our jobs and local industries, even if it means that our economy grows more slowly.”

69% agree

“We need to prioritize the interests of our country over those of the rest of the world.”

The findings point to both a miss and an opportunity for business. More than half of the general population say innovation is moving too fast. The interpretation is that while business has done a masterful job of illustrating the benefits of innovation, it hasn't provided enough context to help people understand the issues—especially the downsides. Driverless trucks may mean potentially safer roads, but what is the plan for driver retraining? As business works to maintain trust, it needs to speak to the real fears and uncertainties in the room, partnering with government to advance policy solutions, in tandem with embracing the disruption.

Kathryn Beiser
Global Corporate Chair

Business: The Last Retaining Wall

Not only are the stakes high for business, but so are the expectations that it will act. Three out of four general population respondents agree that a company can take actions that both increase profits and improve the economic and social conditions in the community where it operates.

Moreover, among those who are uncertain about whether the system is working for them, it is business that they trust the most. With a higher trust score than government, business is, in effect, the last retaining wall, holding back a rising tide of dissatisfaction. If business disappoints, it too will fall victim to the rising tide.

As business seeks to maintain the license to operate – and in tandem, its relative position of trust – it should begin with the

adage, “first do no harm.” Actions that would do the most damage to trust in business range from the most egregious, such as paying off government officials, to the more commonplace of moving profits to other countries to avoid taxes and paying executives exponentially more than employees.

In a climate in which the system is perceived to be failing, the expectations of business are far greater, the Trust Barometer findings show. For instance, the three most important attributes for building trust are treating employees well, offering high quality products and services, and listening to customers. For those who have lost faith in the system, they matter even more. This trend applies for all the attributes that people say build their trust in a company.

Recognizing that the treatment and relationship with employees and customers alike is integral

to building trust, business should adopt an “inside out” approach, which begins with listening. Provide context; explain both the economic and societal benefits of innovations and other decisions; engage; and then take action.

The importance of engaging with employees is further supported by the finding that they are the most credible spokespeople on every aspect of a company’s business, even financial earnings.

No single action is more interconnected with building trust than “treating employees well.” And yet what that action entails today is far more complex than good pay and benefits. It goes beyond surveying employees about engagement. Rather, the best companies are deeply listening and strategically integrating those insights to help shape the future of their business. What’s more, if the majority believes the system isn’t working, business must infer that their employees are a subset of this population—which further underscores the necessity of listening as a trust-building and operational imperative.

Ben Boyd
President, Chief Executive Officer,
Edelman Canada and Latin America

Among the Uncertain, Business Is the Most Trusted Institution

	System Failing	Uncertain	System Working	Key
NGOs	51	57	52	
Business	47	58	58	
Media	37	50	47	
Government	29	53	62	Most Trusted

Trust (>59)
Neutral (50-59)
Distrust (<50)

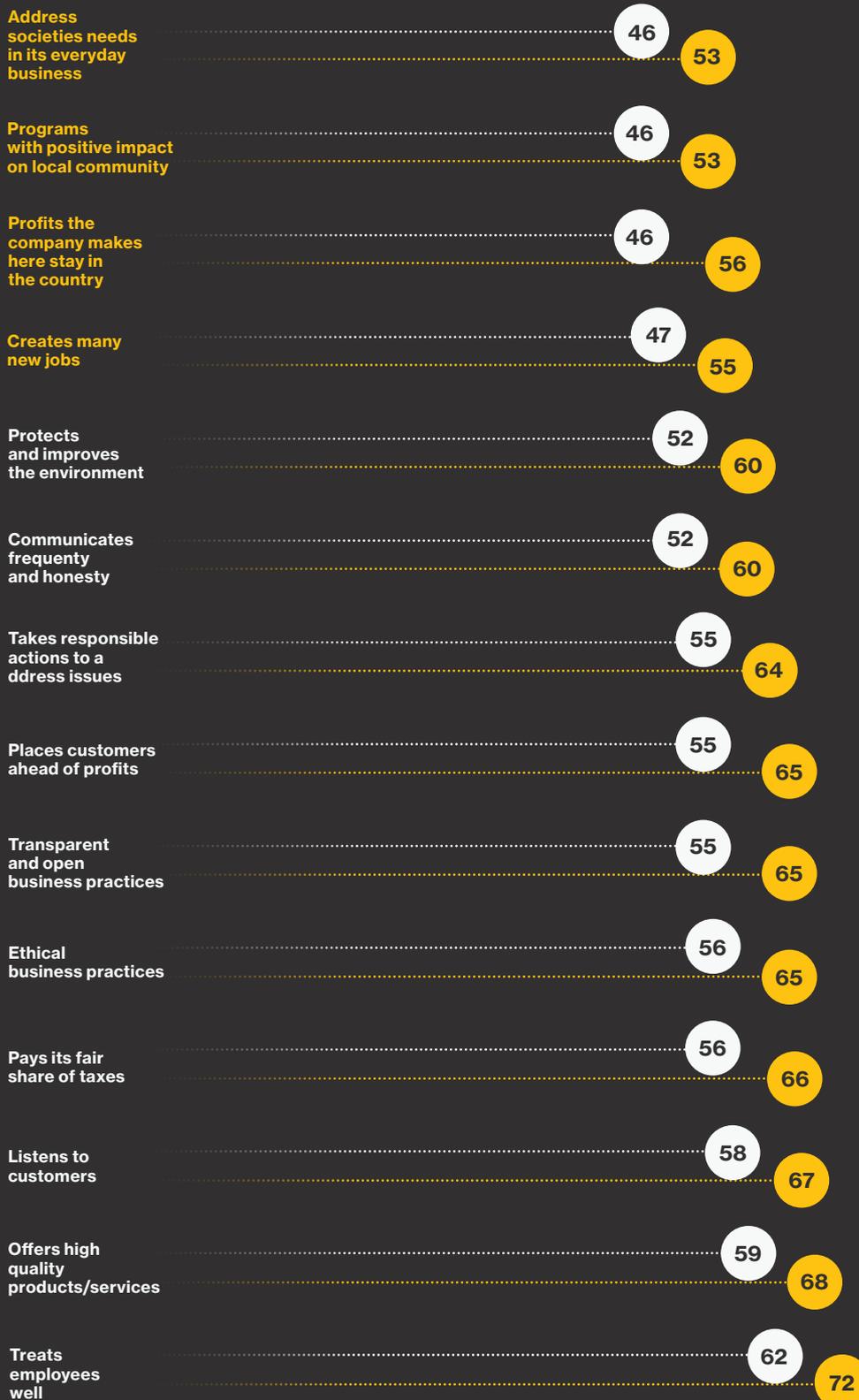
How Businesses Can Build Trust

Percent who rate each attribute as important to building trust in a company

Key

Believe system is failing
General Population

Four trust-builders focused on societal change matter to more than 50 percent of those who believe the system is failing



With the People

As pictured below, the traditional pyramid of influence and authority has toppled. Not simply influence, but now authority too rests in the hands of the mass population.

This tension points to the need for a new operating model for institutions. No longer is it effective for organizations to operate autonomously, using a traditional top-down approach. A flatter, more participative model is necessary to generate support from stakeholders.

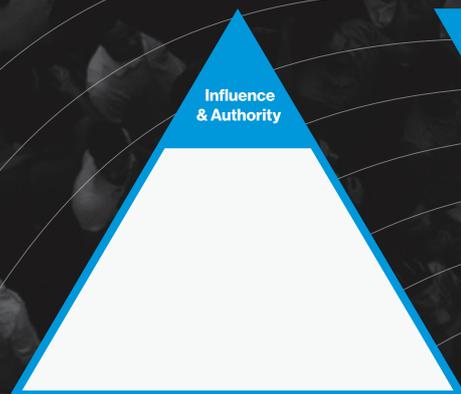
At its essence, the model that we prescribe (at right) moves beyond “for the people” to “with the people,” placing people squarely at the center. The new model calls for institutions to consider all stakeholders before

acting – reflecting the trust-building attributes of treating employees well and listening to customers.

Moreover, in a system that many view as broken, institutions must step outside of their traditional – and siloed – roles. It is the shared responsibility of government, business, NGOs, and media to fulfill the needs – and ease the fears – of stakeholders at the center. Each institution must address societal concerns by providing reasonable context on the issues; working to improve the long-term economic and social conditions of communities; creating public forums that educate about, and advocate for, policies; and communicating directly.

Shifts in Influence & Authority

For the People



Current Tension

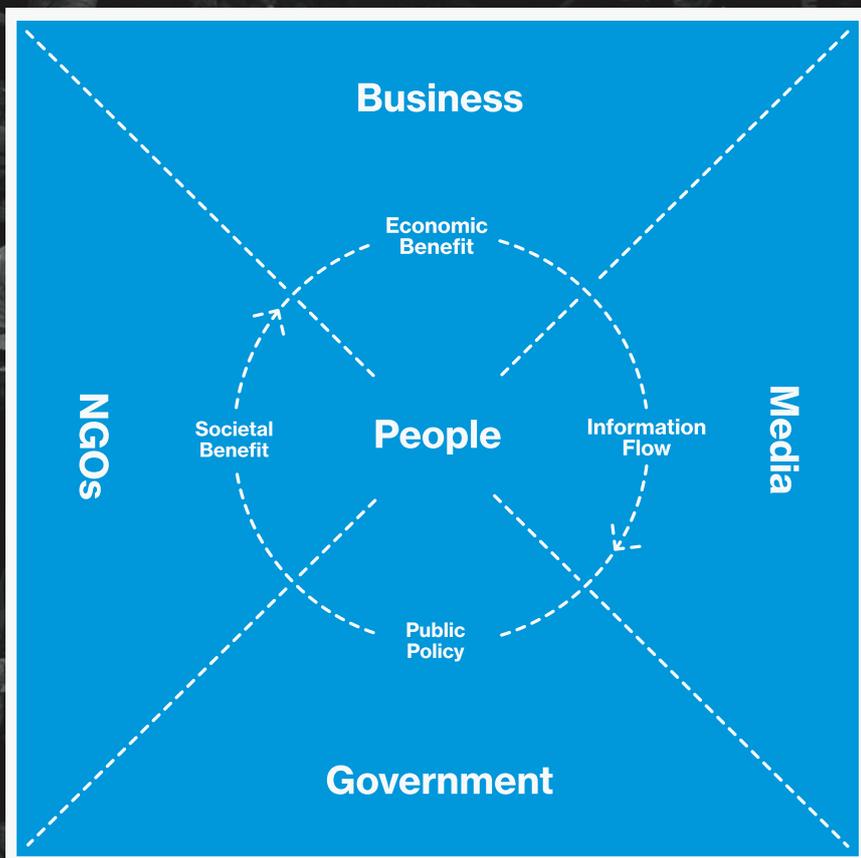


With the People



Toward an Integrated Operating Model

To climb back from a position of deteriorated trust, and to ultimately restore belief in a system that too many people believe has failed them, institutions must operate as a people-centric, integrated part of the broader societal fabric.



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. 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, experiential), a joint venture with United Talent Agency. Visit edelman.com for more information.

