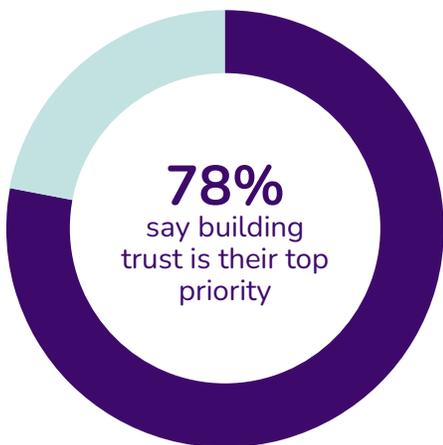


Rebuilding trust at scale: The 2026 shift

78% of local governments say building trust is their top priority – but they don't know how to leverage technology to get there



In November 2025, we surveyed 100 local government leaders nationwide, revealing critical challenges around community trust, operational efficiency, and technology adoption. The findings expose a troubling reality: while governments work hard to serve their communities, they struggle to make that work visible – and trust declines as a result.



Key Takeaway #1

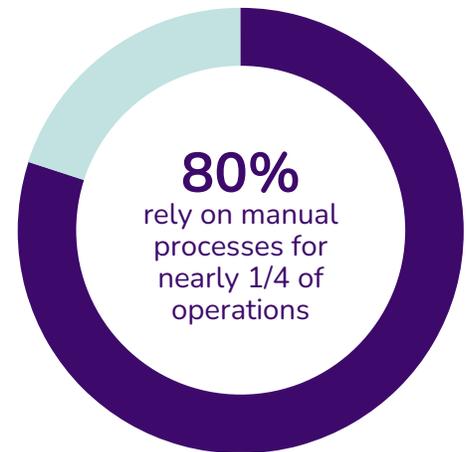
THE TRUST GAP: GOOD WORK ISN'T ENOUGH IF RESIDENTS CAN'T SEE IT

Building community trust emerged as the top priority, with 78% of respondents ranking it as their most urgent challenge. Yet trust levels remain middling – local governments rate their communities' trust level at only 3.0 out of 5 on average. The problem isn't service quality. The biggest obstacle is demonstrating impact: 65% cited difficulty showing outcomes and results, while 52% pointed to limited community engagement opportunities. Residents see budget line items but struggle to connect spending to outcomes, while strategic plans sit disconnected from daily work. This creates a frustrating cycle where governments do good work that residents simply can't see.

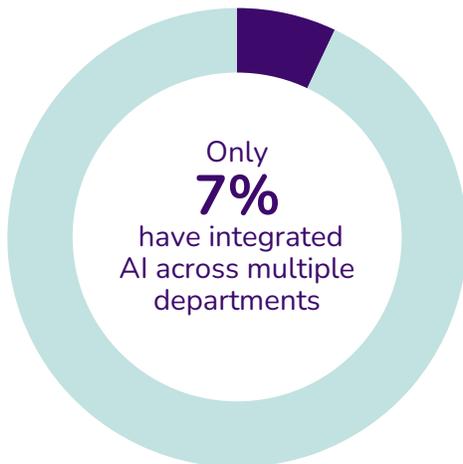
Key Takeaway #2

DISCONNECTED SYSTEMS AND MANUAL WORK ARE DRAINING PRODUCTIVITY

Local governments are being held back by outdated, fragmented systems. An overwhelming 80% report that at least ¼ of their operations rely on manual or paper-based processes, with 25% saying that 61-100% of their work is manual. The most time-consuming areas are data collection and reporting (50%), permit approvals (36%), and budget reporting (34%). Most cities juggle 4-7 disconnected software systems, creating data silos that force duplicate data entry, the #1 problem cited by 48% of respondents. This fragmentation makes generating comprehensive reports that connect budgets to strategic priorities nearly impossible.



“Citizens are unclear on what government can actually do.”



Key Takeaway #3

AI INTEREST IS HIGH, BUT IMPLEMENTATION FACES SIGNIFICANT BARRIERS

While two-thirds of local governments are exploring AI solutions, actual implementation remains minimal – only 7% have integrated AI across multiple departments. The hesitation is understandable: 62% cite security and privacy concerns, 56% face budget constraints, and 53% lack technical expertise. Despite ranking AI as their least urgent priority overall, many recognize its potential for streamlining operations, automating budget and performance reporting, generating strategic plan summaries, and surfacing insights from fragmented data – exactly what's needed to address their top challenges.

“Small town news gets around fast. We’re constantly cleaning up misinformation from social media.”

Conclusion:

How local governments can leverage these findings to build trust in 2026

The survey reveals a fundamental truth: Trust comes not just from what you do, but from what residents can see you doing. In 2026, we predict a shift toward performance-driven governance – where technology-enabled transparency rebuilds trust at scale. Successful governments will connect dollars to measurable results, leverage AI to surface insights, and eliminate disconnected systems. Here's how to start:

MAKE OUTCOMES VISIBLE THROUGH INTEGRATED ENGAGEMENT AND REPORTING

With 65% struggling to demonstrate results, the solution isn't working harder – it's working smarter. Governments must move beyond fragmented systems to unified platforms that automatically connect data and resident feedback with budgets, strategic plans, and outcomes. When residents see how tax dollars translate into completed road repairs or faster permits, trust follows naturally. Real-time feedback and reporting that showcases how input shaped budget and planning decisions provides concrete evidence of impact.

ELIMINATE DATA SILOS BY CONSOLIDATING SYSTEMS

The 4-7 disconnected systems most cities use aren't just inefficient – they prevent demonstrating value. When staff spend hours on duplicate data entry between budget systems and performance tools, the opportunity to showcase achievements vanishes. Consolidating onto integrated platforms connecting finance, operations, planning, and engagement generates holistic insights while freeing staff time for strategic work.

START SMALL WITH AI TO BUILD CONFIDENCE AND DEMONSTRATE VALUE

Given security concerns and expertise gaps, governments should begin with focused pilot projects delivering quick wins. Automating routine budget variance reporting, surfacing patterns in resident feedback, or generating performance summaries can demonstrate AI's value while building confidence. These early successes address the transparency gap by making it easier to show residents what's being accomplished.

TRANSFORM COMMUNICATION FROM ANNOUNCEMENTS TO ONGOING DIALOGUE

With 52% citing insufficient community engagement opportunities, governments need to rethink engagement strategy. The solution requires creating continuous feedback loops where residents see not just what's planned in budgets and strategic plans, but what's accomplished and how their input shaped decisions. Digital platforms providing 24/7 access to budget dashboards, strategic plan progress, and performance metrics create the ongoing dialogue that builds lasting trust. When communication becomes a data-backed two-way conversation – rather than annual budget hearings dominated by the loudest voices – residents transform from skeptical observers to engaged partners.

