



Donor-Advised Funds

What is a donor-advised fund (DAF)?



Think of it like a **charitable investment account**



Donors create accounts to support their **favorite charities**



The money in a DAF **grows tax-free**

Give: Donors make tax-deductible contributions to fund their donor advised accounts.

Grow: When accounts are funded, donors pick different investment options. This means more money for charities.

Grant: Donors advise grants through DAFs whenever they want and at any level they want.

DAF Facts

- Once contributed, assets are the property of the DAF host/sponsor
- DAF sponsors have varied review procedures for organizations that are recommended for grants
- **12.8:** average grants recommended per DAF in 2020
- **\$4,614:** average grant recommendation size in 2020

Community Foundations Are Also Major Players

- Over 750 community foundations in the U.S.
- Collectively distribute over \$5.5B annually
- Community Foundation assets range from \$100k to \$7B



How To Reach DAF Donors



The Top 5 Largest DAF Sponsors

- Fidelity Charitable Gift Fund
- Schwab Charitable Fund
- National Philanthropic Trust
- Vanguard Charitable Endowment Program
- National Christian Foundation

Source: The Chronicle of Philanthropy



Why Donors Use A DAF

- **76%** donate appreciate assets, such as publicly traded stock or privately held assets
- **68%** value the ability to distribute gifts over time
- **76%** report on the investment of charitable assets



Make Sure Donors Find You

- Make sure the organization's name matches what is registered with the IRS
- Information should be updated on donor resources sites like GuideStar, Charity Navigator, and GreatNonprofits.



Recognize Donors For DAF Giving

- DAF donors could be some of your highest-capacity donors—be sure to tag them in your database
- Follow up with DAF-specific acknowledgements
- Create a second database or subset of your database to keep track of your DAF donors



Invite Deeper Engagement

- Once a donor has made a grant, invite them to speak with expert staff, tour your facility or see a program
- Brief them on current accomplishments and future priorities



Encourage Donors To Use DAF Features

- Pre-scheduled grant recommendations
- Recommend recurring grants
- Name your organization as a successor on their account



A Typical DAF Donor

62: average donor age

55: average age when a donor opens an account

69%: volunteer their time to charity

43%: volunteer 11 or more hours each month

\$21,637: median account balance

Integrate DAFs Into Existing Materials

- Start with your existing touchpoints: websites and fundraising appeals
- In the "ways to give" section of your website make sure to include a DAF widget

