



National  
Philanthropic  
Trust

*Your partner in giving*

2021

DONOR-ADVISED  
FUND REPORT




## National Philanthropic Trust (NPT) is proud to publish our 15th annual *Donor-Advised Fund Report*.

Our 2021 *Donor-Advised Fund Report* examines data from 976 charitable organizations which sponsor donor-advised funds (DAFs). The results show increases in every key metric for the eleventh consecutive year.

The COVID-19 pandemic, the amplified fight for racial justice, a polarizing political environment and major climate events marked 2020. We are still experiencing the effects of these events in our country and around the world. As many DAF sponsors report on a fiscal year schedule, this report does not yet show the full DAF response to these events.

However, we observe from experience and 15 years of data that DAF donors respond—quickly and generously—in the face of pressing problems. This edition of the *Donor-Advised Fund Report* reflects how DAF donors respond to urgent need. For example:

- **DAF donors granted at historic levels.** Grants from DAFs to qualified charities totaled an estimated \$34.67 billion, representing a 27.0 percent increase compared to 2019 and a new high-water mark. *This is the highest DAF grant increase in a decade.*
- **The DAF payout rate was 23.8 percent, one of the highest payouts on record.** Payout has remained above 20 percent for every year on record, reflecting the consistent charitable support that DAF donors provide.
- **Other key metrics, like contributions and charitable assets, also increased.** These increases demonstrate that DAF donors are committed to supporting charities now and in the future.



The number of individual DAF accounts in the U.S. is above one million for the first time. Donors may initially choose DAFs for their flexibility and ease of use—and they continue using DAFs because they can both plan for and respond quickly to causes that are important to them. Never has this been more evident than DAF donors' rapid response to the unfolding events of 2020.

Regards,



Eileen R. Heisman  
*President and CEO*



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# About This Report

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Donor-advised funds (DAFs) are charitable vehicles that enable donors to support charitable organizations and causes. The first DAFs were established nearly a century ago at community foundations. Today, they exist at different types of charitable sponsors, such as universities, hospitals, charities affiliated with corporate entities and those connected to religious institutions. Many donors use DAFs for traditional individual giving, family giving, and an increasing number have adapted DAFs to facilitate workplace giving programs, online fundraising platforms, and other models that expand philanthropy. National Philanthropic Trust provides this report as a public service to those who are interested in the impact of this charitable giving vehicle.

NPT began tracking donor-advised fund data in 2007. This report provides an up-to-date analysis of DAFs. It is based on data collected during the second quarter of 2021 about DAFs and the charitable sponsors that operated them in fiscal year 2020.

## CHARITABLE SPONSORS EXAMINED IN THIS REPORT

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**55** NATIONAL  
CHARITIES

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**603** COMMUNITY  
FOUNDATIONS

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**318** SINGLE-ISSUE  
CHARITIES

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Our historic data file includes records from 1,096 sponsors which operated during at least some of the period since 2007. This edition of the *Donor-Advised Fund Report* relies on data from 976 charitable sponsors that reported assets in any year from 2016 through 2020. Please visit our Methodology section for more information.



# Glossary of Terms

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## **Charitable Assets**

The dollar amount charitable sponsors hold and manage in donor-advised funds. Some charitable sponsors manage other types of funds as well such as field-of-interest funds and designated funds. This report is limited to assets in donor-advised funds.

## **Charitable Organization**

A tax-exempt organization registered with the IRS and recognized under Section 501(c)(3) of the Internal Revenue Code (IRC). Donations to a charitable organization are tax-deductible to the donor when the donor claims deductions on income taxes. A charitable organization serves broad public purposes in educational, religious, scientific and artistic fields, among others, as well as the relief of poverty and other public benefit activities. In the context of this report, a charitable organization can be either a charitable sponsor of donor-advised funds or the recipient of a donor-advised fund grant.

## **Charitable Sponsor**

A tax-exempt charitable organization that manages donor-advised funds. Charitable sponsors provide services to ensure that potential grant recipients are qualified charitable organizations and administer donor-advised funds to ensure compliance with all applicable laws and regulations. Also called sponsoring charity or fund sponsor.

## **Community Foundation**

A Community Foundation is a tax-exempt organization that raises funds from the public. Most Community Foundations, both trust and corporate forms, qualify as publicly supported charities under IRC Sections 509(a)(1) and 170(b)(1)(A)(vi). It is a philanthropic institution with a long-term goal of engaging many separate donors to carry out charitable interests for the benefit of residents of a defined geographic area, typically no larger than a state.

## **Compound Annual Growth Rate**

The compound annual growth rate is a useful measure of growth over multiple time periods. It can be thought of as the growth rate that gets you from the initial value to the ending value if you assume that the value has been compounding over the time period.



**Contribution**

Assets a donor gives to a donor-advised fund when establishing the fund or adding to it.

**Donor-Advised Fund (DAF)**

A philanthropic giving vehicle administered by a charitable sponsor. A donor-advised fund allows donors to establish and fund the account by making irrevocable, tax-deductible contributions to the charitable sponsor. Donors retain advisory privileges and may recommend grants from those funds to other charitable organizations.

**Grant**

A transfer of assets from a donor-advised fund to a qualified charitable recipient.

**Grant Payout<sup>1</sup>**

The percentage of total charitable assets at the end of one year that any one type of charitable sponsor or all charitable sponsors grants from a donor-advised fund to qualified charities and charitable projects. Grant payout in this report is calculated as grants made in the current year divided by donor-advised fund assets held at the end of the prior year.

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<sup>1</sup> This method is based on the only comparable payout rate mandated by law, that for private foundations, which are required to make grants and have grantmaking-related expenses equal to at least five percent of their prior year's assets. Note that there are alternative approaches to calculating grant payout shown in Appendix A.

**National Charity**

A tax-exempt organization with a national focus in fundraising and grantmaking. National Charities include independent organizations, such as National Philanthropic Trust, and other charitable organizations affiliated with financial institutions.

**Private Foundation**

A tax-exempt organization recognized under Section 501(c)(3) of the Internal Revenue Code formed and controlled by a donor or small group of donors for the purpose of distributing money to charitable organizations or individuals. In this report, corporate foundations are not included in the definition.

**Single-Issue Charity**

A tax-exempt organization that works in a specific topic area. Some common Single-Issue Charities include universities, Jewish federations, other faith-based charities and issue-specific charities, such as those in the environmental, social justice or international relief arenas.

# Market Overview

The period we analyze in this report is fiscal year 2020. Charities operate on different fiscal year periods, which means the reporting period began as early as March 1, 2019 for some charities and ended as late as December 31, 2020 for others. This period was marked most notably by the COVID-19 pandemic, which emerged in early 2020 and is continuing at the time of this report's publication in November 2021. In 2020, total estimated charitable giving in the United States was \$471.44 billion, according to *Giving USA*. Contributions to DAFs totaled \$47.85 billion in 2020, which equates to 10.1 percent of total giving.

**Table 1: Donor-Advised Fund Metric Overview**

	2019	2020	Percentage Change
<b>TOTAL GRANTS</b>	\$27.29	\$34.67	27.0%
<b>TOTAL CONTRIBUTIONS</b>	\$39.69	\$47.85	20.6%
<b>CHARITABLE ASSETS</b>	\$145.49	\$159.83	9.9%
<b>PAYOUT RATE*</b>	22.3%	23.8%	6.9%
<b>TOTAL # OF DAF ACCOUNTS</b>	864,187	1,005,099	16.3%
<b>AVERAGE SIZE OF DAF ACCOUNT</b>	\$168,355	\$159,019	-5.5%

*\$ billions except as noted*

*\* Following the Candid model for calculating payout rates for independent foundations, the payout rate for donor-advised funds is this year's grants divided by last year's total assets. See Appendix A for alternative approaches to calculating payout.*

In addition to the national and global response to COVID-19, there were several important social, political and environmental events that motivated people to make charitable gifts. These events included calls to advance racial equity; a polarized political environment and U.S. Presidential election; destructive wildfires in both Australia and the U.S.; as well as devastating tropical storms in the U.S., Central America and Southeast Asia.

Economic indicators play an important role in charitable giving throughout the year. In 2020, the overall U.S. economy contracted, as businesses closed their doors or created new ways to operate during the pandemic. Gross domestic product declined year-on-year by 3.4 percent.<sup>2</sup> Unemployment reached as high as 14.8 percent in April 2020 and remained above 6 percent by year end.<sup>3</sup> There was a steep decline in the stock market from February to March of 2020<sup>4</sup> and a rising market through the end of the calendar year. Despite these events, as of December 2020, the stock market increased by 16 percent (adjusted for inflation).<sup>5</sup> Personal income, also adjusted for inflation, rose by 5.3 percent, in part because of government assistance such as unemployment benefits and economic stimulus payments.<sup>6</sup>

In response to the events noted above and their far-reaching impacts, grants from DAFs rose in 2020, as did contributions, total charitable assets and the number of DAF accounts.

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<sup>2</sup> Gross domestic product was \$18,384.7 trillion for the year ending December 2020. Adjusted for inflation, that was 3.4 percent less than the year ending December 2019. Bureau of Economic Analysis, Table 1.1.6, Real Gross Domestic Product.

<sup>3</sup> Bureau of Labor Statistics, Civilian Unemployment Rate.

<sup>4</sup> <https://www.reuters.com/article/us-usa-stocks-s-p500-bear-graphic-idUSKCN25E2R9>

<sup>5</sup> The Dow Jones Industrials closed the year up 7.2% (inflation-adjusted) and the Standard & Poor's 500 Index rose by 16.4 percent (also inflation-adjusted). <https://www.washingtonpost.com/business/2020/12/31/stock-market-record-2020/>

<sup>6</sup> Congressional Research Service. Personal Income Growth during the Covid-19 Pandemic, November 2020. <https://crsreports.congress.gov/product/pdf/IN/IN11546>

# Comparison to Private Foundations

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Table 2 shows an estimated total of 1,005,099 DAF accounts in 2020 among all charitable sponsors included in this report. This number compares with approximately 90,000 independent (non-corporate) foundations, also called private foundations.

While there are more than eleven times the number of DAFs as private foundations, the charitable assets have the opposite relationship. There is an estimated \$159.83 billion in DAF charitable assets and an estimated \$1.1 trillion in private foundation assets.<sup>7</sup> Private foundations hold nearly seven times the assets held by DAFs. Grants from DAFs to qualified charities totaled \$34.67 billion in 2020, equating to 54.5 percent of the estimated \$63.60 billion granted by independent foundations.<sup>8</sup>

**In other words, DAFs granted half of the dollar amount that private foundations granted while having about 14.5 percent of the private foundation assets.**

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<sup>7</sup> Published amount for September 2020 as quoted in Giving USA 2021 p. 118.

<sup>8</sup> *Giving USA 2021, shows grantmaking of \$88.55 billion in total grantmaking, including community and operating foundations, and reports that all grantmaking rose by 170 percent. No separate estimate of grants by independent foundations is in the 2021 edition of Giving USA. To approximate grantmaking by independent foundations for 2020, National Philanthropic Trust took the estimate from the prior year (\$54.35 billion) and increased it by 17 percent.*

**Table 2: Donor-Advised Fund Growth Compared With Independent Foundation Growth**

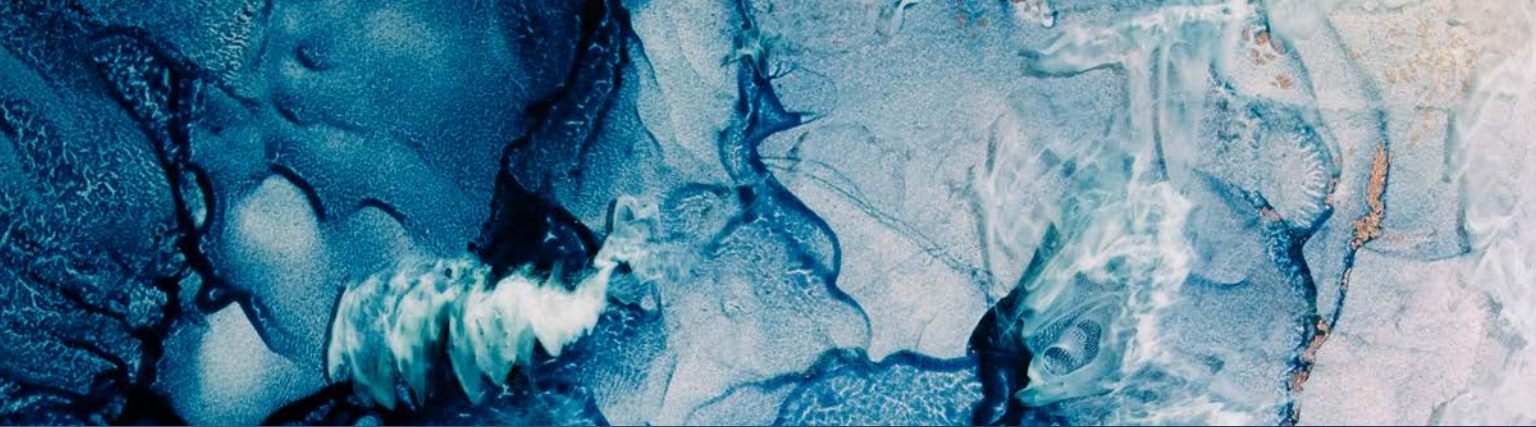
	Independent Foundations*			Donor-Advised Funds		
	2019	2020	Percentage Change	2019	2020	Percentage Change
<b>CHARITABLE ASSETS</b>	\$1,000	\$1,100	10.0%	\$145.49	\$159.83	9.9%
<b>TOTAL GRANT DOLLARS</b>	\$54.35	\$63.60	17.0%	\$27.29	\$34.67	27.0%
<b>TOTAL NUMBER</b>	<b>90,000</b>		-	<b>864,187</b>	<b>1,005,099</b>	<b>16.3%</b>

\$ billions except as noted

*Italic indicates an estimate based on historical data from Candid/The Foundation Center.*

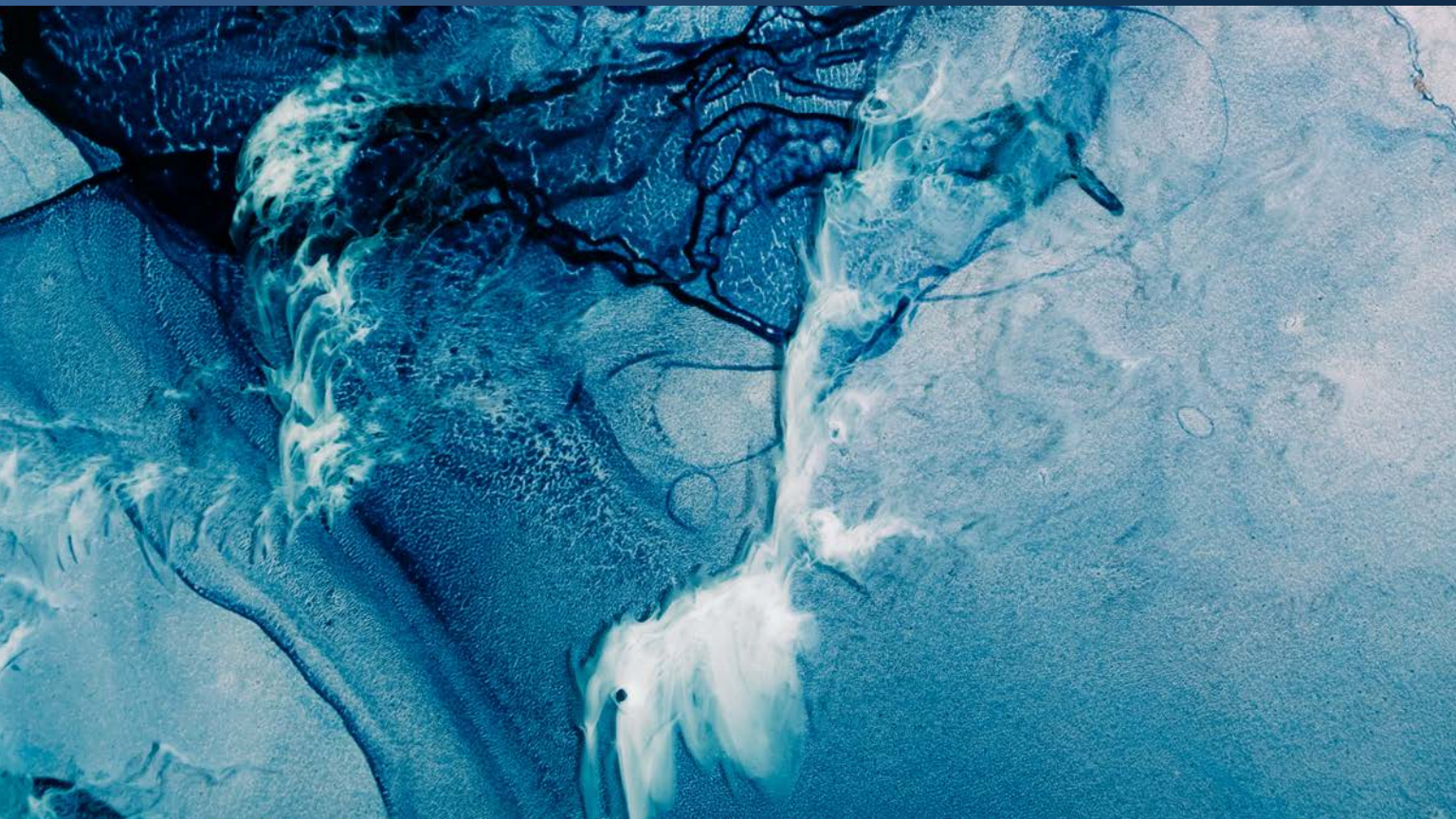
\*National Philanthropic Trust makes independent foundation estimates for assets and grants using data from Giving USA 2021. Assets and number of private foundations are NPT projections using available data from Giving USA. The 2020 asset total is as reported in a study released in September 2020 by FoundationMark and reported in the Chronicle of Philanthropy, October 1, 2020.

<https://www.philanthropy.com/article/new-data-show-foundation-assets-and-grant-making-rebounded-fully-after-a-crushing-spring>



## GROWTH IN RECENT YEARS

DAFs increased in all key metrics in 2020, continuing more than a decade of DAF donor commitment to philanthropy.



## GRANTS PASS \$30B FOR THE FIRST TIME

Grants from DAFs to charitable organizations reached a new high at \$34.67 billion. This is a 27.0 percent increase from a revised 2019 total of \$27.29 billion and is one of the highest rates of increase on record. The compound annual growth rate for grants from 2016 to 2020 was 21.4 percent.

Total grants from DAFs in 2011 were \$8.13 billion. There has been a four-fold increase in total annual grantmaking from DAFs in the past decade.<sup>9</sup> In 2020, the 27.0 percent increase in grant dollars distributed exceeded the ten-year average increase for grants of 14.8 percent. The grantmaking growth rate has exceeded the contributions growth rate in six of the past 10 years.

## CONTRIBUTIONS INCREASE MORE SLOWLY THAN GRANTMAKING

Contributions to DAFs in 2020 totaled \$47.85 billion, an all-time high. This number surpasses the revised 2019 value of \$39.69 billion and is a 20.6 percent increase. The compound annual growth rate for contributions from 2016 to 2020 was 17.4 percent. A 20.6 percent growth in contributions growth in 2020 exceeded the ten-year average increase of 18.1 percent.

Figure 1: Total Value of Grants Made by Donor-Advised Funds (\$B)

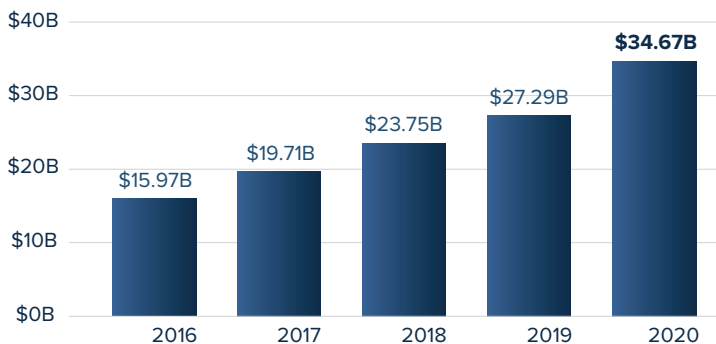
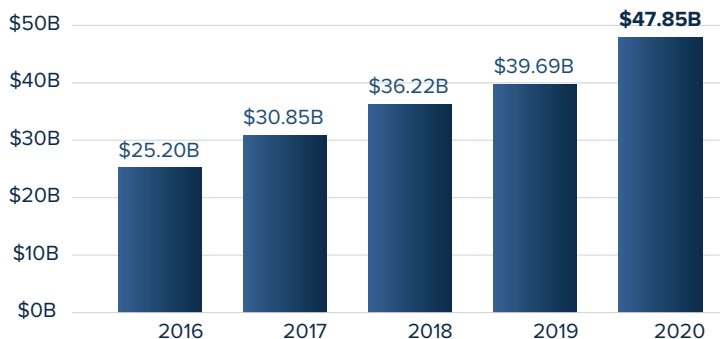


Figure 2: Total Value of Contributions to Donor-Advised Funds (\$B)



<sup>9</sup> Grants from one DAF charitable sponsor to another DAF charitable sponsor, also called “DAF-to-DAF transfers,” are included in this grant total. There are many reasons why a donor may recommend a grant to another DAF, including giving to collaborative DAFs or giving circles or emergency funds that are housed at a different charitable sponsor, like COVID-19 funds at community foundations. Donors may also move their DAF from one charitable sponsor to another to focus on specific regions or issues, to lower fees to have more money available for charitable grantmaking or to stay with an advisor who moves to a different financial firm. DAF data reported on the IRS Form 990 includes grantee information but does not include details about a grant’s intended purpose. As such, there is no way to calculate DAF-to-DAF transfers with accuracy.

## CHARITABLE ASSETS RISE MODESTLY

Charitable assets under management in all DAFs totaled \$159.83 billion in 2020, a 9.9 percent increase from the revised 2019 total of \$145.49 billion. The compound annual growth rate for charitable assets from 2016 through 2020 was 16.6 percent. Continued growth of charitable assets under management reflects increases in the number of funds, in contributions from donors, and in market gains – all of which lead to increased grantmaking from DAFs.

## NUMBER OF DAF ACCOUNTS PASSES 1M

The number of individual DAF accounts rose by 16.3 percent to 1,005,099. The compound annual growth rate for the number of donor-advised fund accounts from 2016 through 2020 was 36.4 percent. More than half (56 percent) of charitable sponsors reported an increase in the number of DAF accounts.

Figure 3: Total Assets in Donor-Advised Funds (\$B)

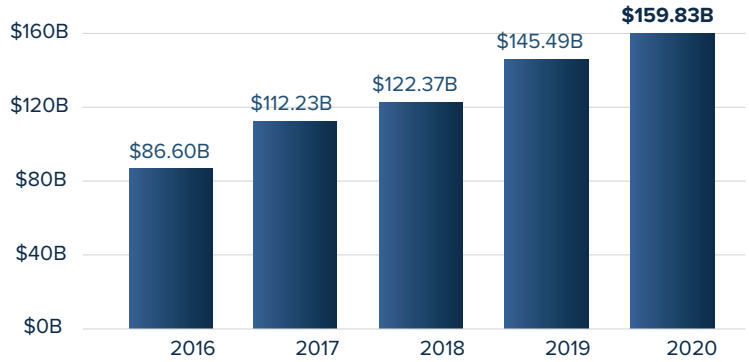
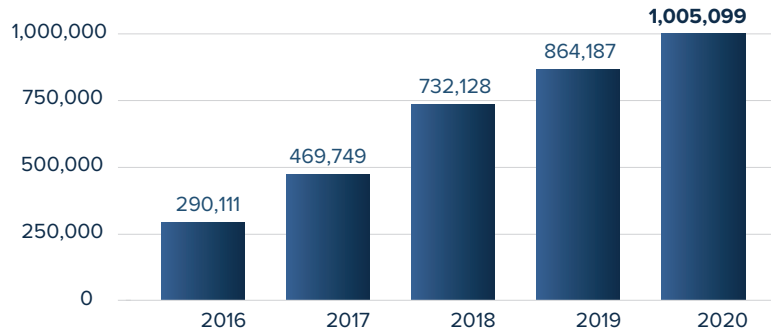


Figure 4: Total Number of Donor-Advised Fund Accounts



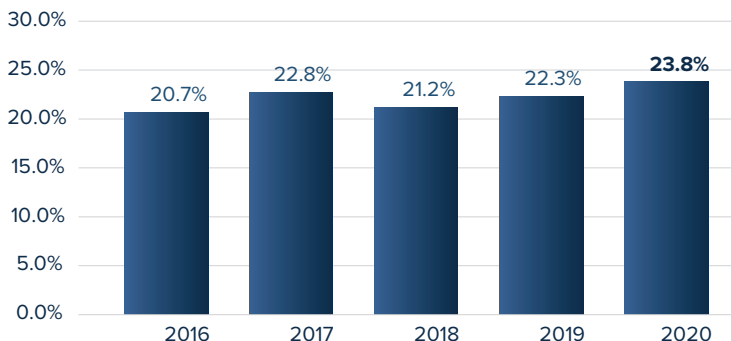


## PAYOUT RATE HIGHEST IN A DECADE

Aggregate grant payout rates from DAFs annually exceed 20 percent in every year on record. The payout rate for 2020 was 23.8 percent. This is above the revised payout rate of 22.3 percent for 2019, and is the highest on record since 2011, when the aggregate payout rate was 24.2 percent.

**Figure 5: Annual Payout Rate, Total for All Donor-Advised Funds**

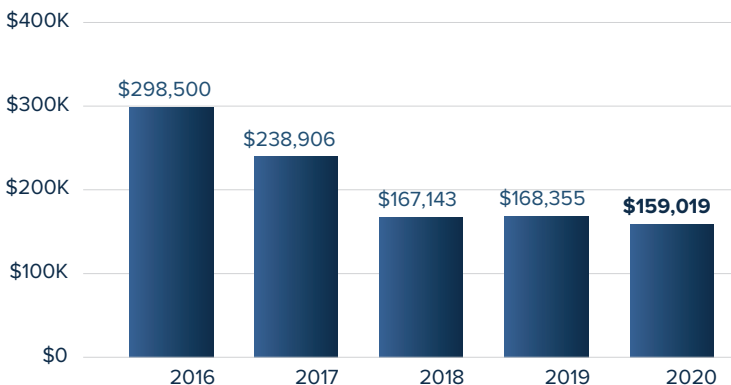
The payout rate formula is: Grants in this year divided by Assets from the end of the prior year.



## AVERAGE DONOR-ADVISED FUND SIZE DECLINES

The average size of an individual DAF account is estimated to be \$159,019 in 2020. This is a 5.5 percent decrease compared with the revised estimate for 2019 of \$168,355. The emergence of workplace giving DAFs and sponsoring organizations that have no or low contribution minimums has affected the number of DAF accounts. Those increasing numbers combined with modest growth in charitable assets decreases the average DAF account size.

**Figure 6: Average Donor-Advised Fund Account Size**



# Comparison by Charitable Sponsor Types

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There are an estimated 1.40 million registered public charities in the United States under Section 501(c)(3) of the Internal Revenue Code.<sup>10</sup> The 976 DAF charitable sponsors tracked in this report comprise less than 0.07 percent of those organizations. In this report, data from three types of DAF charitable sponsors are reported: National Charities, Community Foundations and Single-Issue Charities.

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<sup>10</sup> Internal Revenue Service. 2020. IRS Data Book. Table 14: Tax-Exempt Organizations, Nonexempt Charitable Trusts, Nonexempt Split-Interest Trusts, Fiscal Year 2020, p. 30. Obtained October 12, 2021 from <https://www.irs.gov/pub/irs-pdf/p555b.pdf>



“THE RESULTS OF PHILANTHROPY ARE  
ALWAYS BEYOND CALCULATION.”

– MIRIAM BEARD



## NATIONAL CHARITIES

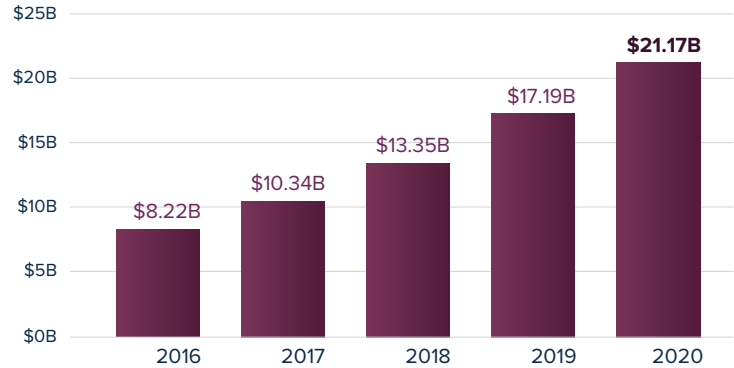
This report analyzes DAF data from 55 National Charities. These charitable sponsors had a combined estimated 864,990 DAF accounts that granted \$21.17 billion in 2020.

**55** NATIONAL CHARITIES | **864,099** NUMBER OF DAF ACCOUNTS | **\$100.15** CHARITABLE ASSETS (B)

## GRANTS

The total value of grants from DAFs at National Charities to other qualified charities totaled \$21.17 billion in 2020, an increase of 23.2 percent from 2019. The compound annual growth rate from 2016 to 2020 is 26.7 percent. National Charities distribute over 155 percent more grant dollars than the other two sponsor types combined. It is also worth noting that the largest DAF sponsors are National Charities that have fiscal year-ends on June 30. This means that the significant DAF grantmaking that occurred at the end of the 2020 calendar year is not reflected in this total. It will be captured in next year's *DAF Report*.

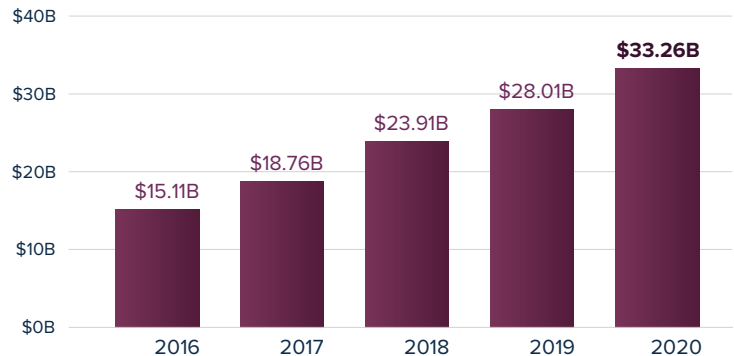
Figure 7: Value of Grants from DAFs at National Charities (\$B)



## CONTRIBUTIONS

Total contributions to DAFs at National Charities reached \$33.26 billion in 2020. This represents an 18.7 percent increase over the prior year. This year's rate of growth is slightly higher than the compound annual growth rate of 17.4 percent from 2016 to 2020. The simple ten-year average is 18.1 percent.

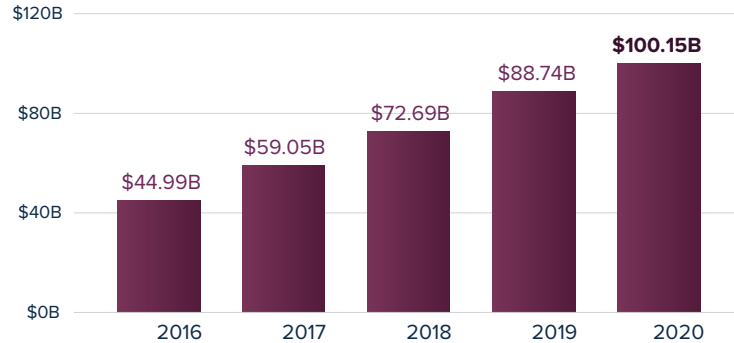
Figure 8: Value of Contributions to DAFs at National Charities (\$B)



## CHARITABLE ASSETS

Total charitable assets in DAFs at National Charities totaled \$100.15 billion in 2020, a 12.9 percent increase from a revised 2019 estimate of \$88.74 billion. The compound annual growth rate for charitable assets at National Charities from 2016 through 2020 was 22.1 percent. A simple ten-year average rate of change in charitable assets is 23.2 percent.

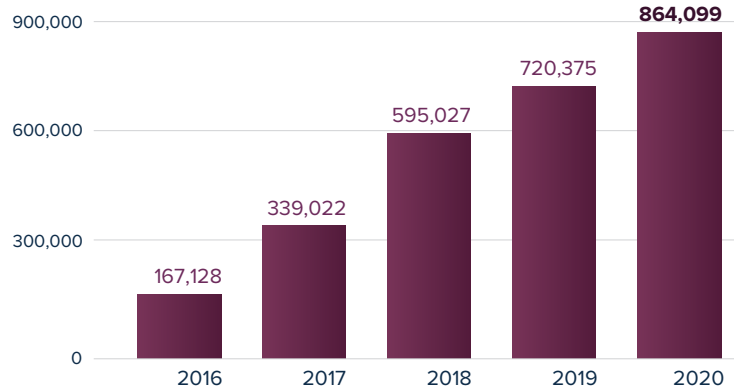
Figure 9: Charitable Assets in DAFs at National Charities (\$B)



## NUMBER OF DONOR-ADVISED FUNDS

The number of individual DAF accounts at National Charities grew to an estimated 864,099 in 2020 from a revised 720,375 in 2019, an increase of 20.0 percent. This one-year growth is a decrease from a compound annual growth rate of 50.8 percent from 2016 to 2020. This high degree of annualized growth includes newly established National Charities, including some with low or no minimum account thresholds and at least one DAF sponsor that offers workplace DAF accounts. The number of DAF accounts at National Charities is more than six times the number DAF accounts at the other two sponsors combined.

Figure 10: Number of DAF Accounts at National Charities

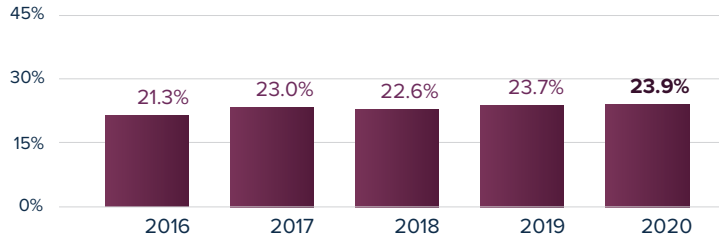


## GRANT PAYOUT

The total payout rate from DAFs at National Charities was 23.9 percent in 2020, nearly the same as the 23.7 percent payout rate in 2019. In 2011, DAFs at National Charities paid out 30.0 percent, which is the highest grant payout rate for National Charities on record. The lowest recorded payout rate for National Charities was 21.3 percent in 2016.

**Figure 11: Annual Payout Rate for DAFs at National Charities**

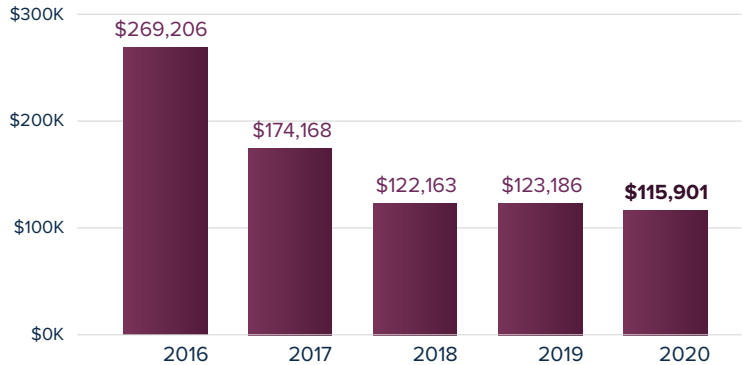
The payout rate formula is: Grants in this year divided by Assets from the end of the prior year.



## AVERAGE DAF ACCOUNT SIZE

The average DAF account size at National Charities in 2020 is estimated at \$115,901. This represents a 5.9 percent decrease compared with the revised 2019 average of \$123,186. The average account size has declined at a compound annual rate of 19.0 percent from 2016 to 2020, reflecting the increase in the number of DAF accounts at some newer National Charities, including those with smaller DAF accounts used for workplace giving and online giving platforms.

**Figure 12: Average DAF Account Size at National Charities**





## COMMUNITY FOUNDATIONS

This report analyzes DAF data from 603 Community Foundations. These charitable sponsors had a combined estimated 84,334 DAF accounts that granted \$8.29 billion in 2020.

**603** COMMUNITY FOUNDATIONS | **84,334** NUMBER OF DAF ACCOUNTS | **\$45.84** CHARITABLE ASSETS (B)

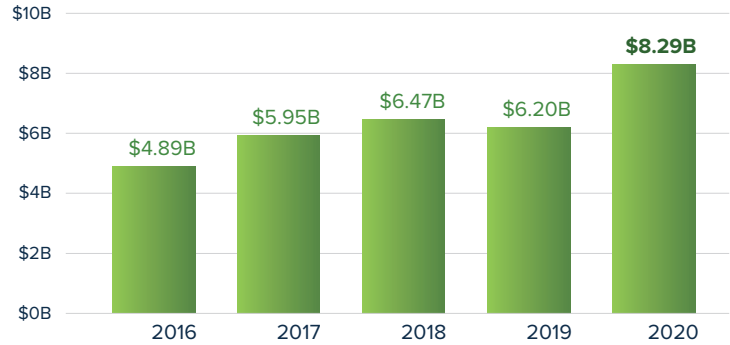




## GRANTS

Grants from DAFs at Community Foundations totaled an estimated \$8.29 billion in 2020, up by 33.7 percent from \$6.20 billion granted in 2019. This is the highest year-over-year grantmaking increase of all three sponsor types in 2020. The compound annual growth rate from 2016 to 2020 was 14.1 percent.

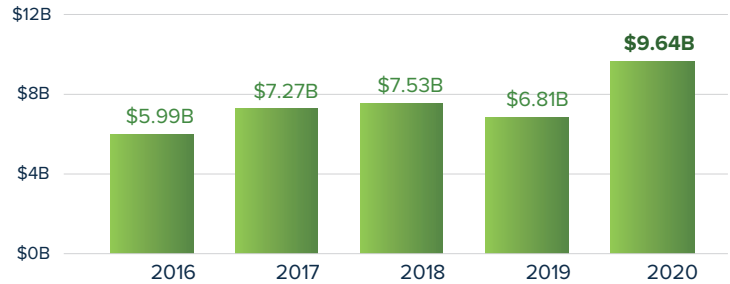
**Figure 13: Value of Grants from DAFs at Community Foundations (\$B)**



## CONTRIBUTIONS

Total contributions to DAFs at Community Foundations were \$9.64 billion in 2020, a 41.5 percent increase over a revised total of \$6.81 billion from the prior year. The compound annual growth rate in contributions to donor-advised funds at Community Foundations from 2016 to 2020 is 12.6 percent.

**Figure 14: Value of Contributions to DAFs at Community Foundations (\$B)**



## CHARITABLE ASSETS

Charitable assets in DAFs at Community Foundations totaled \$45.84 billion in 2020, a 9.5 percent increase from \$41.88 billion in 2019. The compound annual growth rate for 2016 through 2020 was 11.1 percent.

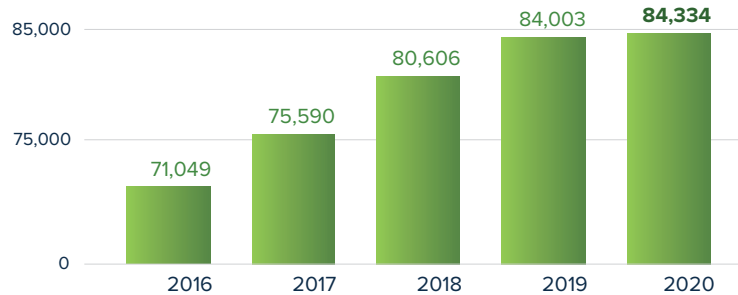
**Figure 15: Charitable Assets in DAFs at Community Foundations (\$B)**



## NUMBER OF DAF ACCOUNTS

The number of individual DAF accounts at Community Foundations was an estimated 84,334 in 2020, a 0.4 percent increase from the revised total of 84,003 in 2019. The compound annual growth rate from 2016 through 2020 was 4.4 percent.

**Figure 16: Number of DAF Accounts at Community Foundations**

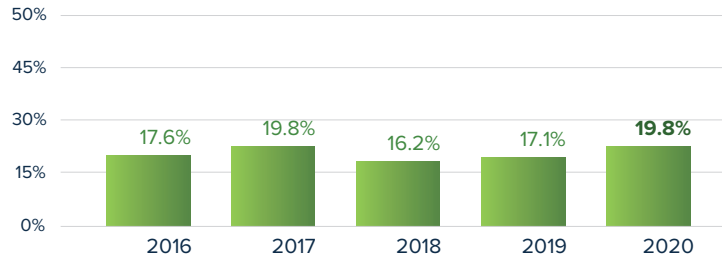


## GRANT PAYOUT

The total payout from DAFs at Community Foundations was an estimated 19.8 percent in 2020, an increase from 17.1 percent in 2019. The payout rate of 19.8 percent is the highest since 2011 and ties with the payout rate in 2017. The lowest payout rate in those years was 14.9 percent.

**Figure 17: Annual Payout Rate for DAFs at Community Foundations**

The payout rate formula is: Grants in this year divided by Assets from the end of the prior year.



## AVERAGE DAF ACCOUNT SIZE

The average DAF account size at Community Foundations rose to \$543,553 in 2020. This represents a 9.0 percent increase from the 2019 average of \$498,554. The compound annual growth rate for average account size from 2016 to 2020 was 6.4 percent. The average DAF account size at Community Foundations is the largest among the three types of charitable sponsors.

**Figure 18: Average DAF Account Size at Community Foundations**





## SINGLE-ISSUE CHARITIES

This report analyzes DAF data from 318 Single-Issue Charities. These charitable sponsors had a combined estimated 56,666 DAF accounts that granted \$5.21 billion in 2020.

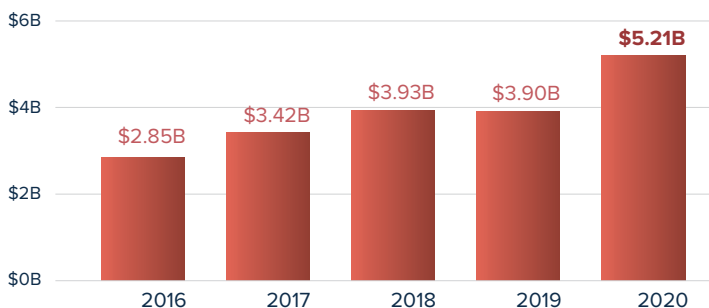
**318** SINGLE-ISSUE CHARITIES | **56,666** NUMBER OF DAF ACCOUNTS | **\$13.84** CHARITABLE ASSETS (B)



## GRANTS

Grants from DAFs at Single-Issue Charities totaled \$5.21 billion in 2020, up from \$3.90 billion in 2019. This is an increase of 33.6 percent increase. The compound annual growth rate from 2016 to 2020 was 16.2 percent. Compared to 2011, DAF grants from Single-Issue Charities have increased by 264.0 percent.

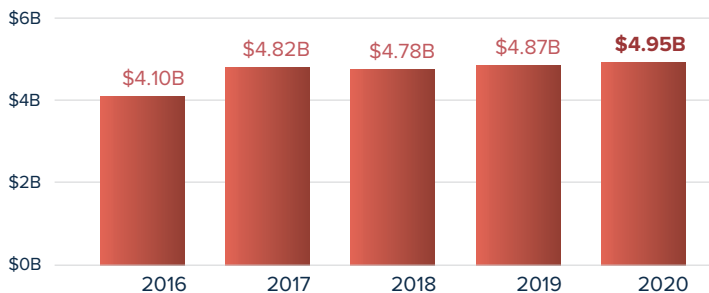
Figure 19: Value of Grants from DAFs at Single-Issue Charities (\$B)



## CONTRIBUTIONS

Contributions to DAFs at Single-Issue Charities totaled \$4.95 billion in 2020. The change in contributions from 2019 to 2020 represents a 1.6 percent increase from the revised total of \$4.87 billion for 2019. The compound annual growth rate from 2016 to 2020 was 4.8 percent. Historically, contributions to DAFs at Single-Issue Charities have been less predictable than the other two types of DAF sponsors, with the highest rate of increase at 35.1 percent in 2012 and the lowest at 7.9 percent in 2015.

Figure 20: Value of Contributions to DAFs at Single-Issue Charities (\$B)



## CHARITABLE ASSETS

Charitable assets in DAFs at Single-Issue Charities totaled an estimated \$13.84 billion in 2020. This is a decrease of 6.9 percent from a revised amount of \$14.87 billion in 2019. This is the first decrease in charitable assets at Single-Issue Charities since 2011. The compound annual growth rate from 2016 to 2020 was 4.7 percent. Since 2011, charitable assets held in DAFs at Single-Issue Charities have nearly doubled. The value was \$13.84 billion for 2020 compared with \$7.05 billion in 2011.

## NUMBER OF DAF ACCOUNTS

There were 56,666 individual DAF accounts at Single-Issue Charities in 2020. This number is a 5.3 percent decrease compared with 2019, when there were 59,809 individual DAF accounts. This is the first decrease in number of DAF accounts at Single-Issue Charities since 2011. The compound annual growth rate from 2016 to 2020 was 2.2 percent.

Figure 21: Charitable Assets in DAFs at Single-Issue Charities (\$B)

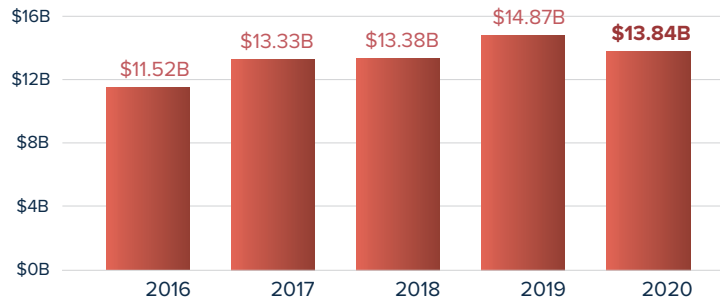
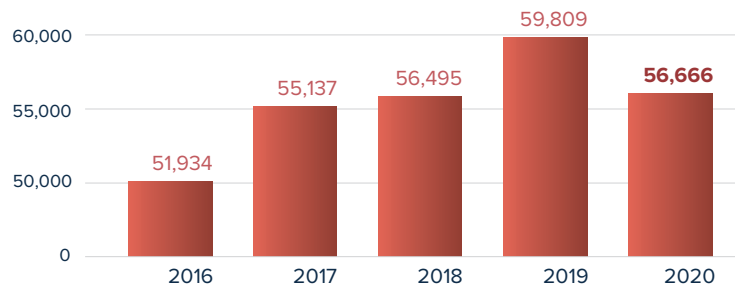


Figure 22: Number of DAF Accounts at Single-Issue Charities



## GRANT PAYOUT

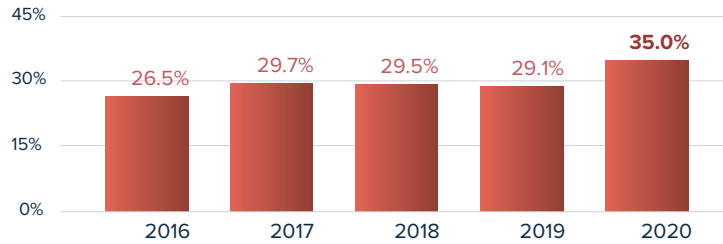
The total payout from DAFs at Single-Issue Charities was 35.0 percent in 2020, an increase from a 29.1 percent payout rate in 2019. The payout rate estimated for 2020 is the highest payout rate at Single-Issue Charities since 2011 when the payout rate was 33.3 percent. The lowest payout rate at Single-Issue Charities in the past decade was 26.5 percent in 2016. Single-Issue Charities have the highest grant payout rate of all three types of charitable sponsors analyzed in this study, averaging 30.1 percent from 2011 to 2020.

## AVERAGE SIZE OF DAF ACCOUNT

The average DAF account size at Single-Issue Charities was \$244,238 in 2020. This represents a decrease of 1.8 percent compared with the 2019 average of \$248,625. The compound annual growth rate from 2016 to 2020 was 2.4 percent.

**Figure 23: Annual Grant Payout Rate for DAFs at Single-Issue Charities**

The payout rate formula is: Grants in this year divided by Assets from the end of the prior year.



**Figure 24: Average DAF Account Size at Single-Issue Charities**



# Observations and Projections

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In the *2020 Donor-Advised Fund Report*, we predicted growth in contributions to DAFs and grants from DAFs, particularly at National Charities. The data in this year's report supports our earlier predictions and we recognize the numerous events of 2020 that contributed to that growth.

*Contributions to and grants from DAFs both rose in 2020, despite global crises, national social movements and economic volatility.* Grantmaking increased at National Charities by 23.2 percent, at Community Foundations by 33.7 percent and at Single-Issue Charities by 33.6 percent. These are among the highest increases in DAF grant growth on record. Other reports and commentaries on charitable giving observed similar trends. DAF donors granted far above any historical trend line in response to the many urgent needs in their communities.

DAFs are more accessible and being actively used by more donors. As the number of DAF accounts in the U.S. surpasses one million, this charitable giving vehicle is filling a need for donors who want to actively engage in philanthropy.

## WHAT LIES AHEAD?

We project next year's report to reflect continued, rapid growth in grantmaking from DAFs to charitable organizations. The next report will include data from the final six months of 2020 for the 33.0 percent of DAF charitable sponsors whose fiscal year ends June 30, which includes some of the largest DAF sponsors. We project that historical grantmaking will be sustained similar to other times of great need, like in the Great Recession of 2008-09. We expect the long-term effects of COVID-19 will continue play out in subsequent reports for years to come. Our projections are based on NPT's historical knowledge of DAF trends, data from the past year and observations on the economic and political climates of our time.





# Methodology

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The *Donor-Advised Fund Report* examines a total of 976 charities registered under Section 501(c)(3) of the Internal Revenue Code that sponsor and/or manage donor-advised funds and that reported at least \$1 in assets in any year from 2016 through 2020. These include the following organizations:

**National Charities:** organizations that are independent or are affiliated with investment firms and national in reach; not focused on a particular region; and do not have a specific religious and/or focus area. Examples include National Philanthropic Trust, Fidelity Charitable and Renaissance Charitable Foundation.

**Community Foundations:** organizations that have a specific geographic or regional focus. Examples include Cleveland Foundation, Delaware Community Foundation and Community Foundation of the Ozarks.

**Single-Issue Charities:** organizations that support a specific religious faith; focus on a particular issue area or cause; or fund a specific institution. Examples include Jewish Federation of Rhode Island, San Diego Human Dignity Foundation and Stanford University.

## PRIMARY DATA SOURCE

The primary source for each charitable sponsor's assets, contributions, grants and total number of donor-advised funds is their IRS Form 990. The Form 990 is the annual information return that charities file with the Internal Revenue Service. For those organizations that filed Form 990 returns for FY2009 and later, this information is found in Schedule D. For organizations that filed returns prior to FY2008, this may include information found on Schedule D. National Philanthropic Trust (NPT) obtained copies of Form 990 via Candid/GuideStar, ProPublica, and used the data available through Amazon Web Service (AWS), which also compiles the IRS forms. In select cases, NPT obtained copies of Form 990 from the organization directly.

Since organizations have varied fiscal years, which may end March 31, June 30 or December 31, data was recorded in the fiscal year in which the charity filed the 990 Form with the IRS and posted on GuideStar. For example, whether an organization's fiscal year ends on March 31, 2020 or December 31, 2020, the data will be recorded as 2020. This is consistent with Candid/GuideStar's reporting process in date stamping all Form 990s for the organizations' respective fiscal years.

## CONTINUOUS DATA UPDATES

NPT performs regular audits of our database of donor-advised fund charitable sponsors, adding new charitable sponsors and archiving those that have closed. NPT compares the database against all charities that complete the IRS 990 Form Schedule D, which specifically relates to donor-advised funds. Starting in the 2014 edition of the *Donor-Advised Fund Report*, NPT compiled a larger file covering more donor-advised fund sponsors. In this edition, the data are again compiled from that larger file. NPT studies and verifies the accuracy of the filings before adding the organization to our database. In 2021, we consulted Candid, ProPublica, and other sources to verify and update our list of past and present DAF sponsors.

For this edition, NPT reviewed 976 organizations that reported at least \$1 in assets from fiscal year 2016 through fiscal year 2020: 55 National Charities, 603 Community Foundations and 318 Single-Issue Charities. Data comes from the most recent IRS Forms 990. For some organizations whose fiscal year 2020 data was not yet publicly available, we received the data directly from the charity. Where 2020 data were not available, NPT used an estimating process. This process takes a rate of change by sponsor type for organizations where data were on file for 2019 and 2020. That rate by sponsor type was then applied to the 2019 values from IRS Form 990s, again stratified by sponsor type, to estimate a value for 2020.

NPT maintains a time series of all key data points (charitable assets, grants, contributions and accounts) back to fiscal year 2007. Some of the organizations in the file have closed or merged. There are 1,096 charities in the file. Note that as we update the list with sponsors, values for prior years (2016 to 2019) may change compared with previous editions of this report.

## PAYOUT CALCULATION

Payout from donor-advised funds is calculated to resemble how Candid (formerly known as Foundation Center) estimates the grant payout rate for private foundations.

The Foundation Center published a report about how the payout rate is determined using rules established in the tax code. The tax code allows private foundations to include as “qualified distributions” certain expenses associated with grantmaking and other payments made for charitable purposes (e.g., conferences, technical assistance for grantees, and other expenses). Those expenses are too complex to track accurately for approximately 90,000 private foundations. In its work, the Foundation Center used a simpler approach, which this report now replicates and refers to as the Candid Method.

In the Candid Method, the current year’s grants are divided by investable assets held at the end of the prior year. There are alternative methods, some of which are presented in Appendix A.

# Appendix A - Grant Payout

Payout rates for donor-advised funds, in all three methodologies, have been consistently high and well above the mandated minimum payout rate of 5 percent for private foundations. Further, donor-advised fund payout rates are based entirely on grant distributions, and do not include any grantmaking-related or administrative overhead expenses, as private foundations are permitted to do.

In 2014, this report began using a grant payout rate formula modeled on private foundations' payout calculation. This formula allows us to compare two vehicles frequently used by higher-net worth donors.

That formula is:

**This year's grants divided by**  
**Last year's year-end assets**

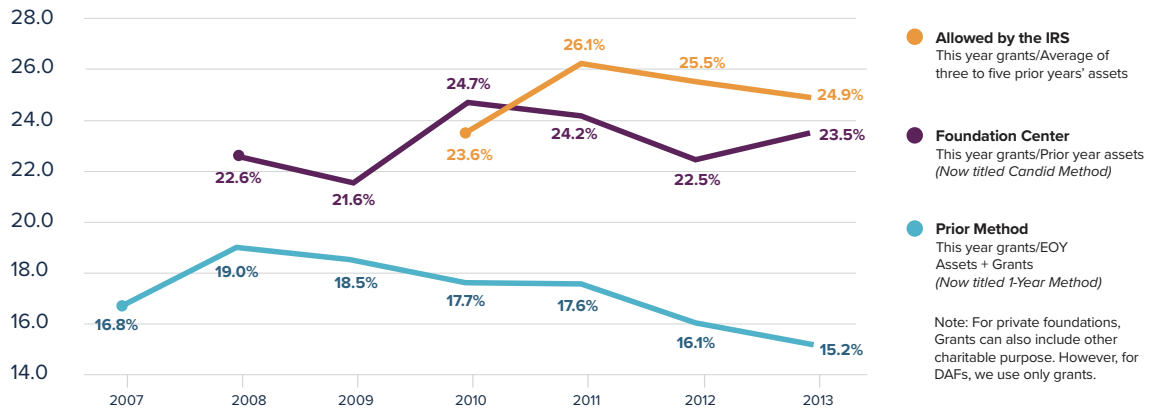
Prior to the 2014 edition, the payout rate calculation in the *Donor-Advised Fund Report* was:

That formula is:

**This year's grants divided by**  
**This year's year-end assets plus the amount distributed in grants during the year**

**Figure 25: Comparison of payout rates using three methods of calculations**

From *The 2014 DAF Report*

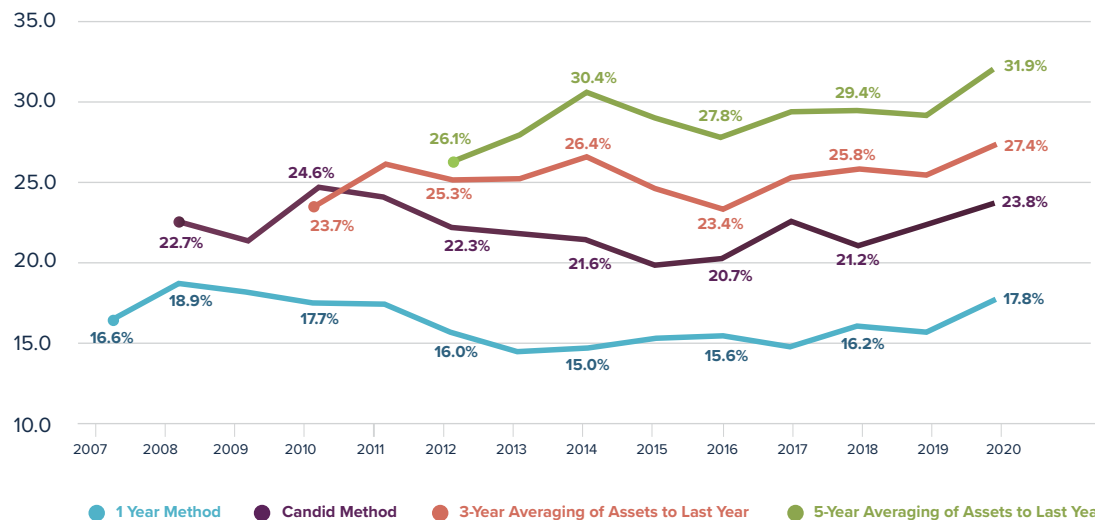


As shown in the Methodology section in the 2014 report, switching to the Candid Method, which uses last year's assets, results in a higher payout rate. All methodologies consistently demonstrate that DAF payout has been well above 5.0 percent—even above 14.0 percent.

Payout calculations for 2007-2020 with the **most recent data available** (including expanded list of donor-advised fund sponsors and regular updates from IRS Forms 990 as they are available) and additional methods are:

**Figure 25: Comparison of payout rates using three methods of calculations**

From *The 2014 DAF Report*





## **ACKNOWLEDGMENTS**

### **About the Analyst:**

Melissa S. Brown of Melissa S. Brown Associates, LLC provided analysis and writing services for this report. Melissa S. Brown & Associates specializes in research and writing to help turn knowledge into action, especially for nonprofit organizations, donors, and the people who advise them. In addition to data analysis and presentation, services include project management, writing for fundraising, and program evaluation.






**About the Team:**

This report was prepared by National Philanthropic Trust under the guidance of Eileen R. Heisman, President and CEO; Andrew W. Hastings, Chief Enterprise Officer; Emily Mullen, Senior Director of Global Communications; and Erin Hoyes of Weldon Communications. Richard Virgilio of Virgilio Media provided consulting and promotional services. Charlie Thaxton provided editorial support. NPT thanks the members of our Global Communications and Creative teams for their assistance in copyediting and design.

NPT gratefully acknowledges all the organizations that shared their donor-advised fund statistics and information. For permission to cite or reproduce this report, please contact Emily Mullen, NPT's Senior Director of Global Communications, at [emullen@nptrust.org](mailto:emullen@nptrust.org) or 215.277.3043.





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165 Township Line Road, Suite 1200 | Jenkintown, PA 19046 | (888) 878-7900 | [nptrust.org](http://nptrust.org)