



National
Philanthropic
Trust

Your partner in giving

2022
**Donor-Advised
Fund Report**



National Philanthropic Trust is proud to publish our 16th annual *Donor-Advised Fund Report*.

THE 2022 EDITION OF THE *DONOR-ADVISED FUND REPORT* examines data from 995 charitable organizations that sponsor donor-advised funds (DAFs). The results show dramatic growth in all four key metrics: grants, contributions, charitable assets and number of accounts.

DAF donors were highly active in 2021. DAFs reached a new record for grantmaking and experienced the fastest growth rates on record for contributions and charitable assets. The sharp increase in grantmaking—over \$10 billion more than the prior year—is larger than what occurred at the beginning of the COVID-19 pandemic. Grants from DAFs to qualified charities increased more than 60 percent in the past two years, accelerating an upward ten-year trajectory. DAF grants have grown over 400 percent in the last decade. We also observe that donors who have DAFs can and do respond quickly and generously in the face of pressing challenges and serve an important role in sustained giving.

This edition of the *Donor-Advised Fund Report* reflects how DAF donors responded to charitable needs in 2021 and how they are positioned to continue their support.

For example:

- **DAF donors granted at historic levels.** Grants from DAFs to qualified charities totaled an estimated \$45.74 billion, representing a 28.2 percent increase compared to 2020, which itself was 28.3 percent higher than in 2019. The ten-year average rate of change for DAF grantmaking is 17.5 percent from 2011 to 2020.
- **The DAF grant payout rate was 27.3 percent, the highest grant payout rate on record.** Payout has remained above 20 percent for every year on record, reflecting the consistent charitable support that DAF donors provide. The ten-year average payout rate from DAFs is 22.2 percent.
- **Other key metrics, like contributions and charitable assets, also increased at rates much higher than the ten-year average.** For example, charitable assets in DAFs increased significantly as the stock market surged and donors made more contributions than ever before. Historically, periods with very strong growth in charitable assets (20 percent increases or more) are immediately followed by large increases in grantmaking.

Since the inception of this report, the data show that DAF donors are committed to supporting charitable organizations—over time and when their needs are greatest.

Regards,



Eileen R. Heisman
President and CEO

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ABOUT THIS REPORT

A DONOR-ADVISED FUND (DAF) is a giving vehicle that enables 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 and 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 (NPT) 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 2022 about DAFs and their charitable sponsors in fiscal year 2021. Our historic data file includes records from 1,127 DAF sponsors which operated during at least some of the period since 2007. This edition of the *Donor-Advised Fund Report* relies on data from 995 charitable sponsors that reported assets in any year from 2015 through 2021. Please visit our Methodology section for more information.

CHARITABLE SPONSORS EXAMINED IN THIS REPORT

60


National Charities

607

Community Foundations

328

Single-Issue Charities

An aerial photograph of a rural landscape. A dirt road curves through the center, separating a dense forest on the left from agricultural fields on the right. The fields show distinct rows and patterns, suggesting recent farming activity. The overall color palette is dominated by greens and browns, with a teal overlay on the text.

This edition of the *Donor-Advised Fund Report* relies on data from 995 charitable sponsors that reported assets in any year from 2015 through 2021.

GLOSSARY OF TERMS

Charitable Assets

The dollar amount charitable sponsors hold and manage in donor-advised funds. Some charitable sponsors also manage other types of funds, 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 social wellbeing and 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 individual 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 funds.

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 Payout¹

The percentage of total charitable assets at the end of one year that any one type of charitable sponsor or all charitable sponsors grant 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.

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 IRC 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.

¹ 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.

MARKET OVERVIEW

IN 2021, TOTAL ESTIMATED CHARITABLE GIVING IN THE UNITED STATES WAS \$484.85 BILLION, according to *Giving USA 2022*. In this report, we analyze giving to and from DAFs, one type of charitable giving vehicle, for fiscal year 2021. Charities operate on different fiscal year periods, which means the reporting period began as early as March 1, 2020 for some charities and ended as late as December 31, 2021 for others.

This period was marked notably by the COVID-19 pandemic, which emerged in early 2020 and remains a national concern at the time of this report's publication in November 2022. The 2020 U.S. presidential election, political unrest in the months following and a divisive political climate dominated the news cycle and American life during this period. Important events, like global supply chain issues, COVID-19 vaccine distribution, climate change and extreme climate events, calls for racial justice and steep stock market gains also marked the year that this report covers and may have influenced where and how donors give.

Economic indicators play an important role in charitable giving. In 2021, the overall U.S. economy grew:

- Businesses reopened following pandemic closures.
- Gross domestic product increased year-over-year by 5.7 percent after taking inflation into account.²
- The stock market rose significantly in 2021 with both the Dow Jones Industrials Average (Dow) and the Standard & Poor's 500 Index (S&P 500) reaching all-time highs during the year. By year-end, the Dow stood 18.7 percent above its December 2020 close and the S&P 500 was 26.9 percent higher than at the end of the prior year.³
- Unemployment declined to 5.3 percent as of late 2021, after beginning the year at 8.1 percent.⁴
- Personal income, also adjusted for inflation, rose by 3.5 percent as some—but not all—people returned to work.⁵ The growth in employment occurred simultaneously with a growth in wages, especially for lower-income workers.⁶

In response to the events noted above and their far-reaching impacts, grants from DAFs rose in 2021, as did contributions, total charitable assets and the number of DAF accounts.

Table 1: Donor-Advised Fund Metric Overview (\$ Billions Except as Noted)

	2020	2021	% Change
Charitable Assets	\$167.81	\$234.06	39.5%
Total Grants	\$35.68	\$45.74	28.2%
Total Contributions	\$49.58	\$72.67	46.6%
Payout Rate*	24.2%	27.3%	12.7%
Average DAF Size	\$167,748	\$182,842	9.0%
Number of DAF Accounts	1,007,745	1,285,801	27.6%

* 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.

² Gross domestic product was \$19.427 trillion for the year ending December 2021. Adjusted for inflation, that was 5.7 percent more than \$18.385 trillion for the year ending December 2020. Bureau of Economic Analysis (BEA.gov), Table 1.1.6, Real Gross Domestic Product. Unadjusted numbers are \$22.996 trillion for 2021 and \$20.894 trillion for 2021. BEA Table 1.1.5, GDP in current dollars.

³ Year-end values for Dow and S&P500 obtained from finance.yahoo.com. Changes calculated. Adjustment for inflation based on Price index for Personal Consumption Expenditures (PCE), BEA Table 2.3.4, values as of September 26, 2022.

⁴ Bureau of Labor Statistics (BLS.gov), Civilian Unemployment Rate, accessed September 28, 2022.

⁵ Personal Income, BEA table 2.1, line 1. Adjusted for inflation using the PCE price index from BEA Table 2.3.4

⁶ Joana Duran Franch and Mike Konczal. 2021. "Real wages are increasing for those in the bottom half of the income distribution." Roosevelt Institute.

<https://rooseveltinstitute.org/2021/11/17/real-wages-are-increasing-for-those-in-the-bottom-half-of-the-income-distribution/> 2021 accessed November 1, 2022

COMPARISON TO PRIVATE FOUNDATIONS

Table 2 shows an estimated total of DAF charitable assets and grants from all charitable sponsors included in this report compared with independent (non-corporate) foundations, also called private foundations. There is an estimated \$234.06 billion in DAF charitable assets and more than \$1.3 trillion in private foundation assets estimated for 2021. Comparing the two, DAF charitable assets amount to 18 percent of those in private foundations.


Grants from DAFs to qualified charities totaled \$45.74 billion in 2021. Grants and expenditures from private foundations totaled \$96.27 billion.⁷ To compare, the value of DAF grants in 2021 amounts to 48 percent of the value of grants from private foundations. Foundations must meet the minimum distribution of five percent of assets in grants or through “grant related expenditures.” It is important to note that grants from DAFs do not include any grant-related expenditures, administrative fees or operational overhead costs, while private foundations can include these in their grant and expenses total. In 2021, with no federal minimum payout requirement, DAFs voluntarily granted 27.3 percent of their assets from the prior year.

Table 2: DAFs and Private Foundations: Charitable Assets and Grantmaking* (\$ Billions)

	Private Foundations*	Donor-Advised Funds
Charitable Assets	\$1,302.70	\$234.06
Total Grants	\$96.27	\$45.74

*The asset and grant totals for private foundations used in this table are reported by FoundationMark and includes 40,000 private foundations in the United States with more than \$1 million in assets. FoundationMark estimates that their data subjects represent 97 percent of all foundation assets.

⁷ Giving USA 2022 does not include estimates previously used by National Philanthropic Trust to project independent foundation assets and grants values. The asset and grant total used in this table are reported by FoundationMark and includes 40,000 private foundations in the United States with more than \$1 million in assets. FoundationMark estimates that their data subjects represent 97 percent of all foundation assets. <https://foundationmark.com/#/grants>



In 2021, with no federal minimum payout requirement, DAFs voluntarily granted 27.3 percent of their assets from the prior year.



Growth in Recent Years

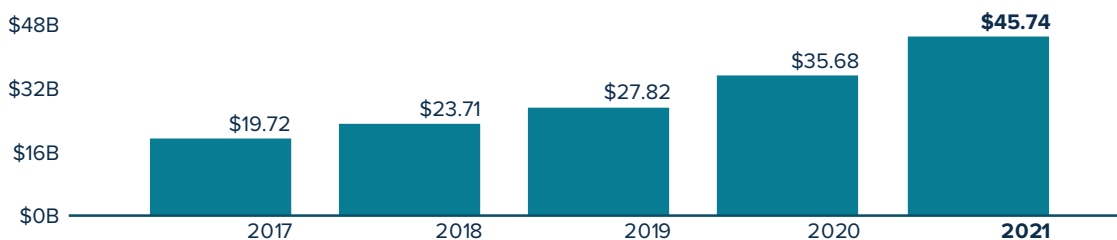
DAFs increased in all metrics in 2021, reaching new all-time highs and reflecting DAF donors' continued commitment to philanthropy.

GRANTS PASS \$45B FOR NEW RECORD HIGH

Grants from DAFs to charitable organizations reached a new high at \$45.74 billion. This is a 28.2 percent increase from a revised 2020 total of \$35.68 billion and is one of the highest rates of increase on record⁸. The compound annual growth rate for grants from 2017 to 2021 is 23.4 percent, shaped largely by a 28.3 percent increase in 2020 and the most recent 28.2 percent increase in 2021.

Total grants from DAFs in 2012 were \$8.52 billion. This means there has been more than a five-fold increase in total annual grantmaking from DAFs in the past decade. In 2021, the 28.2 percent increase in grant dollars distributed exceeded the ten-year average increase for grants of 17.5 percent.

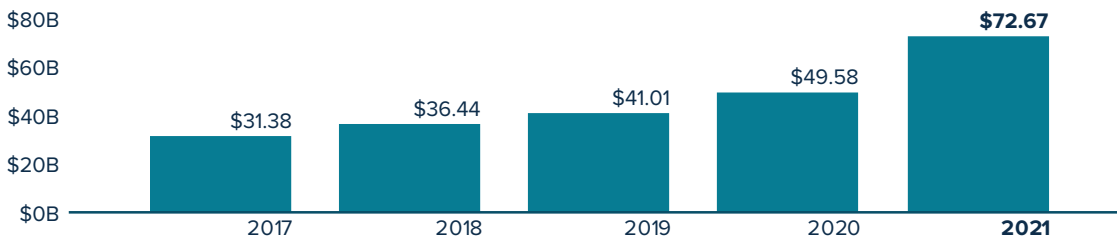
Figure 1: Total Value of Grants Made by Donor-Advised Funds (\$ in Billions)



CONTRIBUTIONS INCREASE RAPIDLY

Contributions to DAFs in 2021 totaled \$72.67 billion, an all-time high. This number surpasses the revised 2020 value of \$49.58 billion and is a 46.6 percent year-over-year increase. The compound annual growth rate for contributions from 2017 to 2021 is 23.6 percent. A 46.6 percent growth in contributions in 2021 is highly unusual. The second-highest annual rate of increase on record is 35.1 percent, which occurred in 2012 when the U.S. government faced a “fiscal cliff” of potential broad spending cuts and expiring tax cuts that threatened the charitable tax deduction. The ten-year average rate of increase from 2011 to 2020 is 18.1 percent.

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

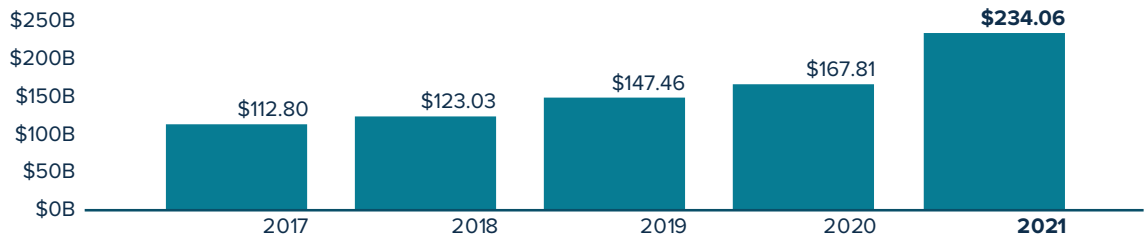


⁸ Grants from one DAF charitable sponsor to another DAF charitable sponsor, also called “DAF-to-DAF transfers,” are included in this grant total. There are many reasons why a donor may recommend a grant to another DAF, including giving to collaborative DAFs or giving circles or emergency funds that are 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 ABOVE \$200B

Charitable assets in all DAFs totaled \$234.06 billion in 2021, a 39.5 percent increase from the revised 2020 total of \$167.81 billion. The 2021 increase of 39.5 percent is the highest on record, followed by 29.6 percent in 2017. The compound annual growth rate for charitable assets from 2017 through 2021 is 20 percent. Continued growth of charitable assets under management reflects contributions from donors and market gains. The average rate of growth in assets from 2011 through 2020 is 17.7 percent. All charitable assets in DAFs must be used for charitable purposes.

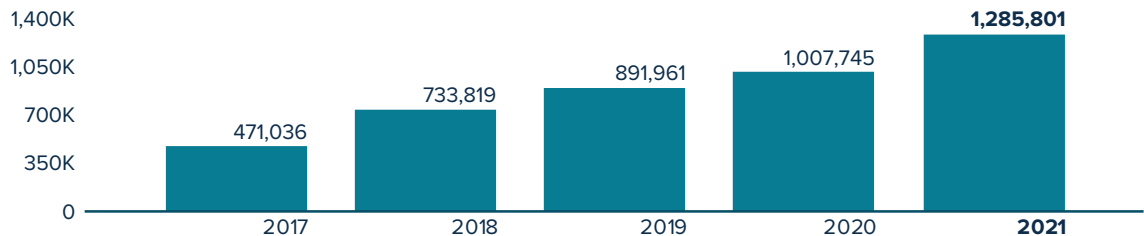
Figure 3: Total Assets in Donor-Advised Funds (\$ in Billions)



NUMBER OF DAF ACCOUNTS APPROACHES 1.3 MILLION

The number of individual DAF accounts rose by 28 percent to 1,285,801. The compound annual growth rate for the number of donor-advised fund accounts from 2017 through 2021 is 28.5 percent. The ten-year average rate of change from 2011 to 2020 is 20.1 percent. More than half (54 percent) of charitable sponsors reported an increase in the number of DAF accounts.

Figure 4: Total Number of Donor-Advised Fund Accounts

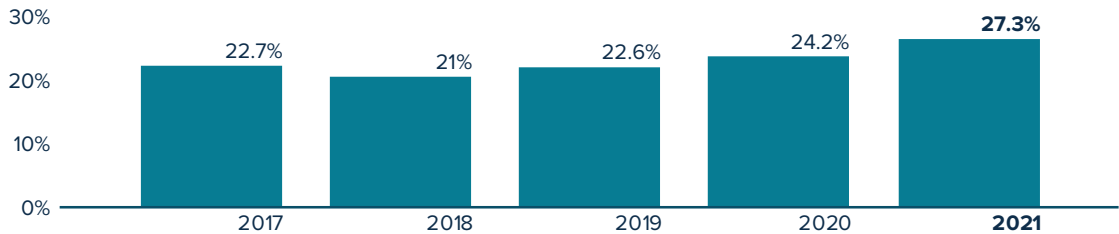


PAYOUT RATE REACHES ALL-TIME HIGH

Aggregate grant payout rates from DAFs annually exceed 20 percent in every year on record. The payout rate for 2021 is a new historic high at 27.3 percent. The next-highest payout rate on record was 24.6 percent in 2010, in the midst of the post-recession economic recovery and several large-scale natural disasters.

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

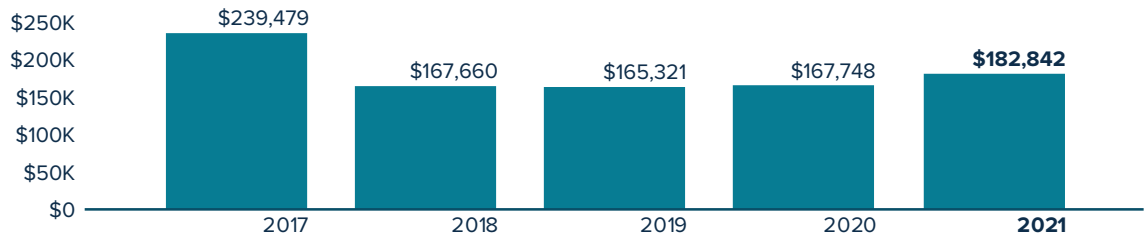
The payout rate formula is: Grants in this year divided by Assets from the end of the prior year.



AVERAGE DONOR-ADVISED FUND SIZE INCREASES SLIGHTLY

The average size of an individual DAF account is estimated to be \$182,842 for 2021. This is a nine percent increase compared with the revised estimate for 2020 of \$167,748. In the past five years or so, new workplace giving DAFs and sponsoring organizations with low or no contribution minimums have attracted new donors at a large scale. As noted earlier, contributions to DAFs in 2021 increased rapidly, thereby increasing charitable assets, which has the effect of raising the average account size.

Figure 6: Average Donor-Advised Fund Account Size



COMPARISON BY CHARITABLE SPONSOR TYPES

THERE ARE AN ESTIMATED 1.43 MILLION registered public charities in the United States under Section 501(c)(3) of the IRC.⁹ The 995 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.

⁹ Internal Revenue Service. 2021. IRS Data Book. Table 14: Tax-Exempt Organizations, Nonexempt Charitable Trusts, Nonexempt Split-Interest Trusts, Fiscal Year 2021, Obtained October 18, 2022 from <https://www.irs.gov/statistics/soi-tax-stats-tax-exempt-organizations-and-nonexempt-charitable-trusts-irs-data-book-table-14>



“ It is not enough to be compassionate, we must act. ”

Dalai Lama



National Charities

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.

60 National Charities

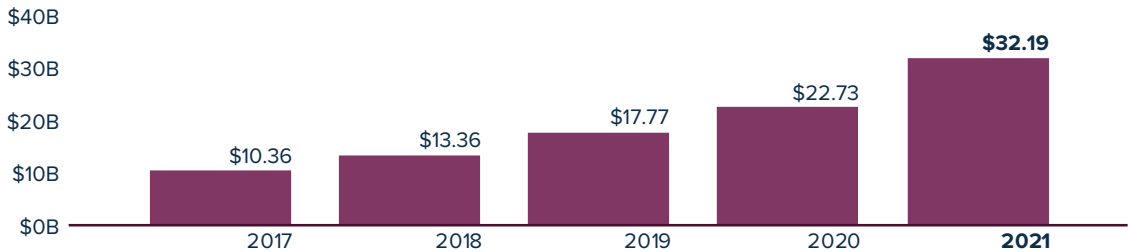
1,128,475 DAF Accounts

\$32.19 Billion Grants

GRANTS

The total value of grants from DAFs at National Charities to other qualified charities totaled \$32.19 billion in 2021, an increase of 41.6 percent from 2020. The compound annual growth rate from 2017 to 2021 is 32.8 percent. National Charities distribute 70 percent of all grant dollars from DAFs. It is also worth noting that the largest DAF sponsors are National Charities that have fiscal year-ends on June 30. This means that significant levels of DAF grantmaking that occurred in the second half of 2020 are reflected in this total.

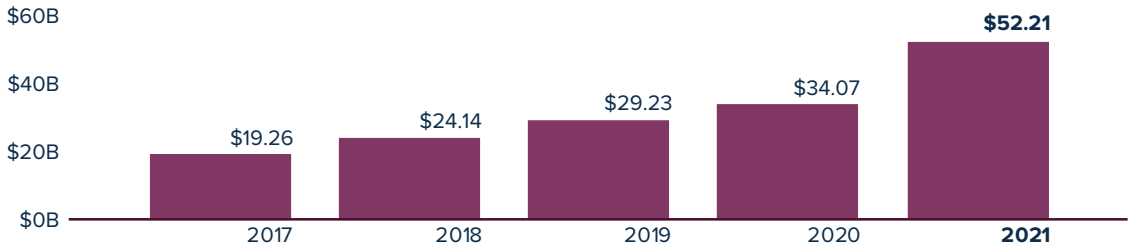
Figure 7: Value of Grants from DAFs at National Charities (\$ in Billions)



CONTRIBUTIONS

Total contributions to DAFs at National Charities reached \$52.21 billion in 2021. This represents a 53.2 percent increase over the prior year. This year's rate of growth is higher than the compound annual growth rate of 28.3 percent from 2017 to 2021.

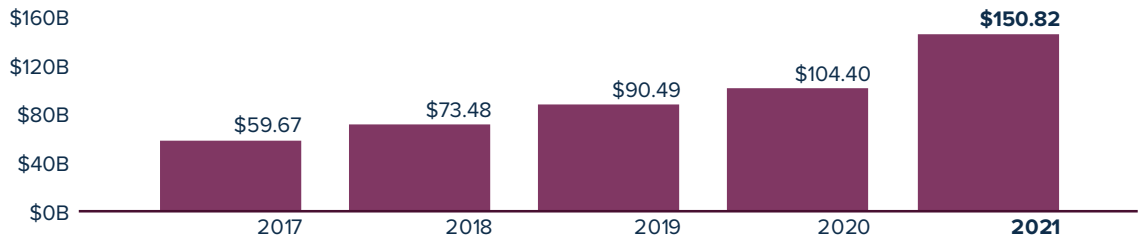
Figure 8: Value of Contributions to DAFs at National Charities (\$ in Billions)



CHARITABLE ASSETS

Total charitable assets in DAFs at National Charities reached \$150.82 billion in 2021, a 44.5 percent increase from a revised 2020 estimate of \$104.40 billion. The compound annual growth rate for charitable assets at National Charities from 2017 through 2021 is 26.1 percent.

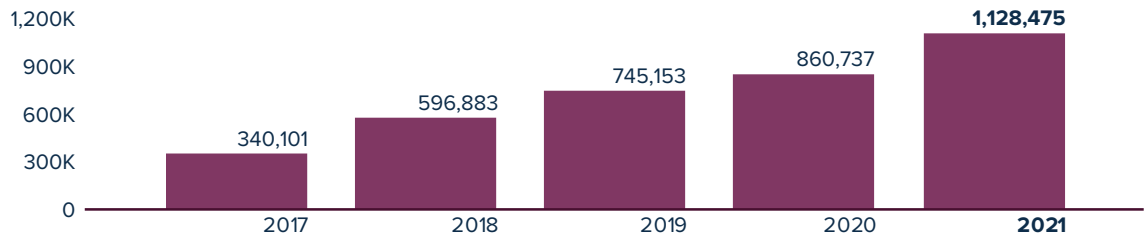
Figure 9: Charitable Assets in DAFs at National Charities (\$ in Billions)



NUMBER OF DONOR-ADVISED FUNDS

The number of individual DAF accounts at National Charities grew to an estimated 1,128,475 in 2021 from a revised 860,737 in 2020, an increase of 31.1 percent. This one-year growth is a decrease from a compound annual growth rate of 35 percent from 2017 to 2021. National Charities sponsor 88 percent of all DAF accounts.

Figure 10: Number of DAF Accounts at National Charities

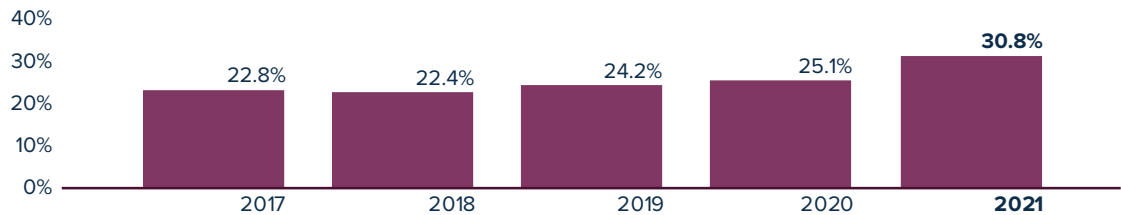


GRANT PAYOUT

The total payout rate from DAFs at National Charities was 30.8 percent in 2021, the highest payout rate recorded. The previous high for National Charities was 30 percent in 2011. The lowest recorded payout rate for National Charities was 21.3 percent in 2016.

Figure 11: Annual Payout Rate for DAFs at National Charities

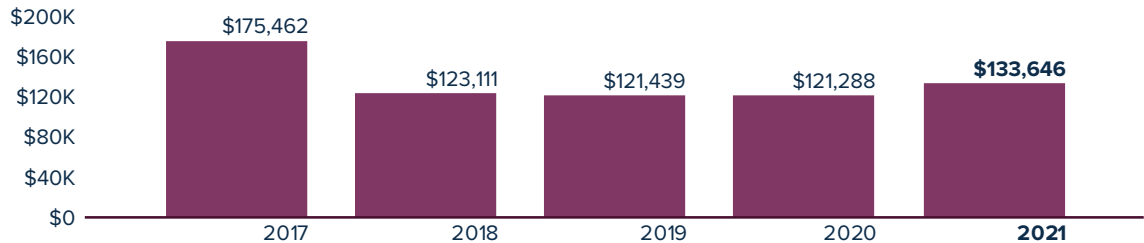
The payout rate formula is: Grants in this year divided by Assets from the end of the prior year.



AVERAGE DAF ACCOUNT SIZE

The average DAF account size at National Charities in 2021 is estimated at \$133,646. This represents a 10.2 percent increase compared with the revised 2020 average of \$121,288. The average account size declined at a compound annual rate of 6.6 percent from 2017 to 2021, reflecting the increased 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

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 individual donors to carry out charitable interests for the benefit of residents of a defined geographic area, typically no larger than a state.

607 Community Foundations

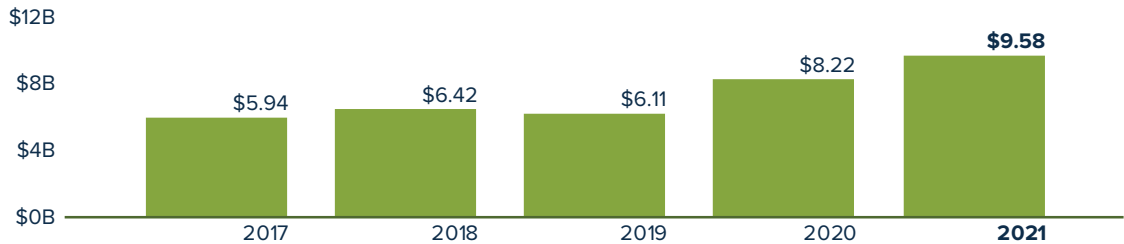
87,274 DAF Accounts

\$9.58 Billion Grants

GRANTS

Grants from DAFs at Community Foundations totaled an estimated \$9.58 billion in 2021, up by 16.5 percent from \$8.22 billion granted in 2020. Community Foundations made 20 percent of total DAF grants dollars in 2021. The compound annual growth rate from 2017 to 2021 is 12.7 percent.

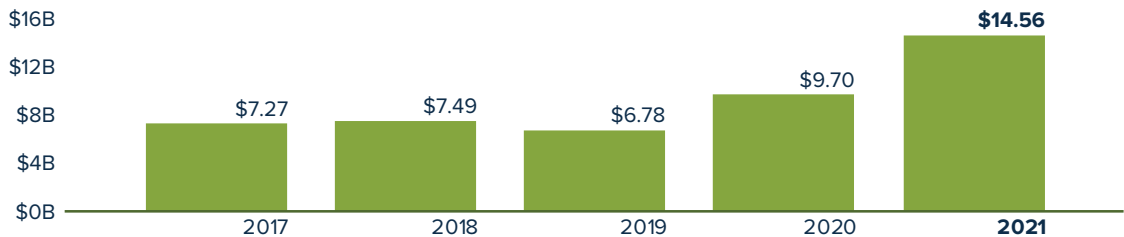
Figure 13: Value of Grants from DAFs at Community Foundations (\$ in Billions)



CONTRIBUTIONS

Total contributions to DAFs at Community Foundations were \$14.56 billion in 2021, a 48.4 percent increase over a revised total of \$9.70 billion from the prior year. The compound annual growth rate in contributions to donor-advised funds at Community Foundations from 2017 to 2021 is 20.2 percent.

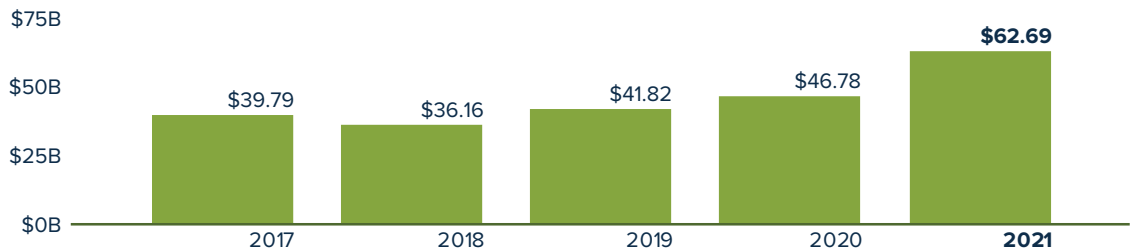
Figure 14: Value of Contributions to DAFs at Community Foundations (\$ in Billions)



CHARITABLE ASSETS

Charitable assets in DAFs at Community Foundations totaled \$62.69 billion in 2021, a 34 percent increase from \$46.78 billion in 2020. The compound annual growth rate for 2017 through 2021 is 12 percent.

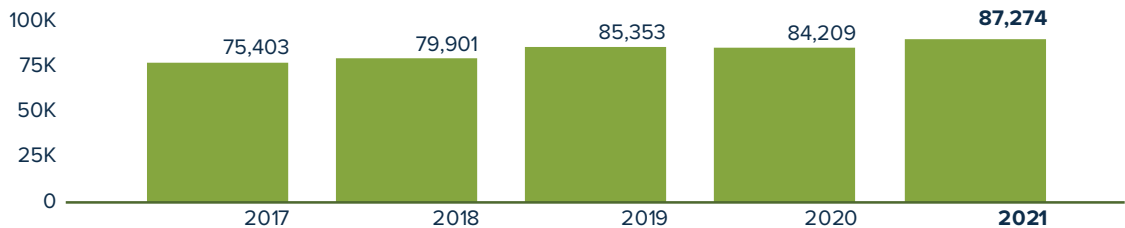
Figure 15: Charitable Assets in DAFs at Community Foundations (\$ in Billions)



NUMBER OF DAF ACCOUNTS

The number of individual DAF accounts at Community Foundations was an estimated 87,274 in 2021, a 3.6 percent increase from the revised total of 84,209 in 2020. The compound annual growth rate from 2016 through 2021 was 3.7 percent.

Figure 16: Number of DAF Accounts at Community Foundations

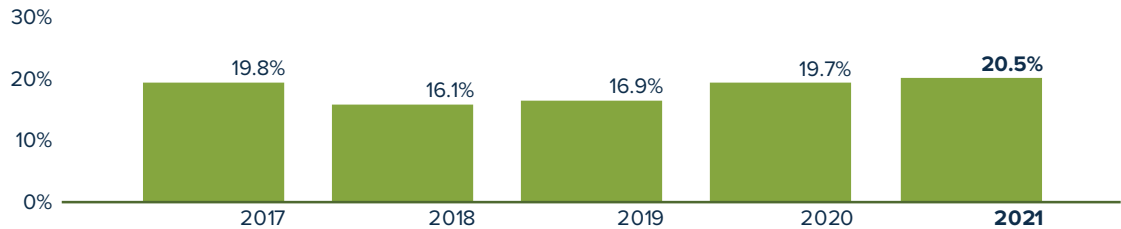


GRANT PAYOUT

The total payout from DAFs at Community Foundations was an estimated 20.5 percent in 2021, an increase from 19.7 percent in 2020. The payout rate of 20.5 percent is the highest on record. The second highest payout rate occurred in 2017, at 19.8 percent. The lowest payout rate on record was 14.9 percent in 2015.

Figure 17: Annual Payout Rate for DAFs at Community Foundations

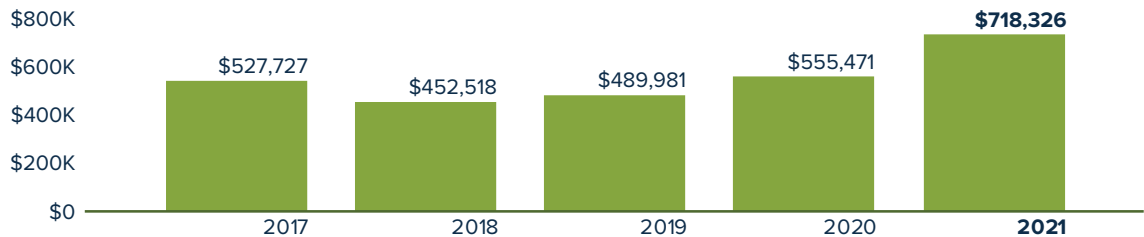
The payout rate formula is: Grants in this year divided by Assets from the end of the prior year.



AVERAGE DAF ACCOUNT SIZE

The average DAF account size at Community Foundations rose to \$718,326 in 2021. This represents a 29.3 percent increase from the 2020 average of \$555,471. The compound annual growth rate for average account size from 2017 to 2021 is eight percent. The average DAF account size is more than double that of Single-Issue Charities and over five times greater than the average account size at National Charities.

Figure 18: Average DAF Account Size at Community Foundations



Single-Issue Charities

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.

328 Single-Issue Charities

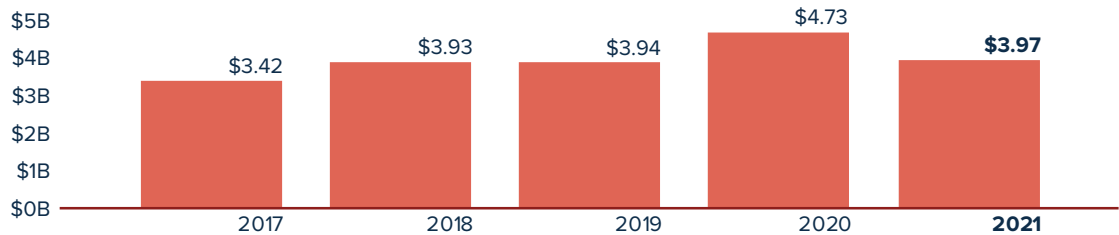
70,052 DAF Accounts

\$3.97 Billion Grants

GRANTS

Grants from DAFs at Single-Issue Charities totaled \$3.97 billion in 2021, down from a revised total of \$4.73 billion in 2020. This represents a 16.1 percent decrease and a return to historical patterns after a one-year increase. The compound annual growth rate from 2017 to 2021 was 3.8 percent.

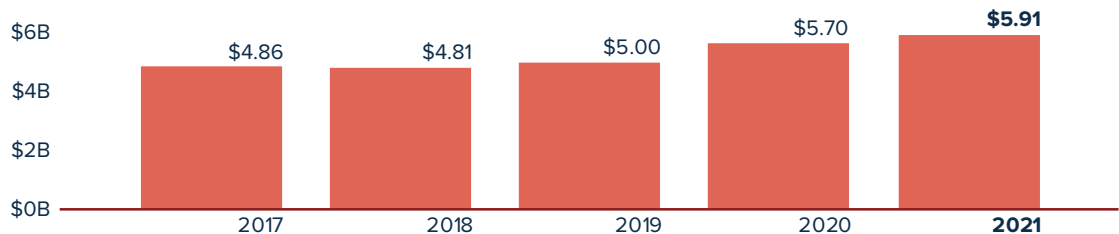
Figure 19: Value of Grants from DAFs at Single-Issue Charities (\$ in Billions)



CONTRIBUTIONS

Contributions to DAFs at Single-Issue Charities totaled \$5.91 billion in 2021, a 3.7 percent increase from the revised total of \$5.70 billion for 2020. This increase continues a steady rise in contributions to Single-Issue Charities over the past several years. The compound annual growth rate from 2017 to 2021 was five percent.

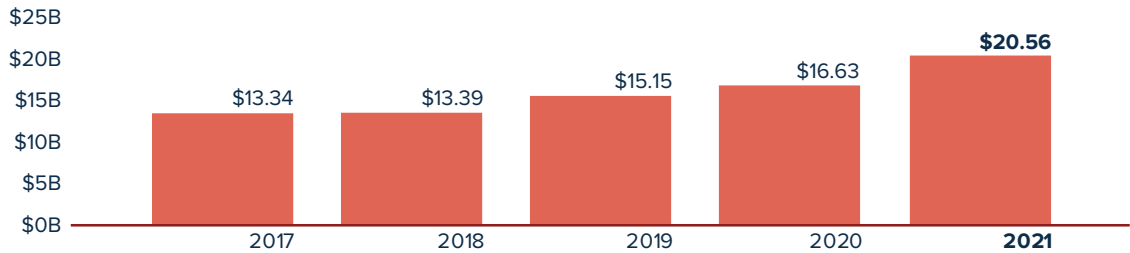
Figure 20: Value of Contributions to DAFs at Single-Issue Charities (\$ in Billions)



CHARITABLE ASSETS

Charitable assets in DAFs at Single-Issue Charities totaled an estimated \$20.56 billion in 2021. This is an increase of 23.6 percent from a revised amount of \$16.63 billion in 2020. The compound annual growth rate from 2017 to 2021 was 11.4 percent.

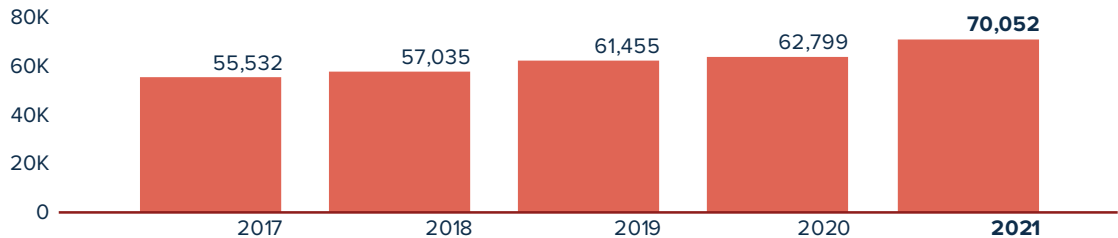
Figure 21: Charitable Assets in DAFs at Single-Issue Charities (\$ in Billions)



NUMBER OF DAF ACCOUNTS

There were 70,052 individual DAF accounts at Single-Issue Charities in 2021. This number is an 11.5 percent increase compared with 2020, when there were 62,799 individual DAF accounts. The compound annual growth rate from 2017 to 2021 was six percent.

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

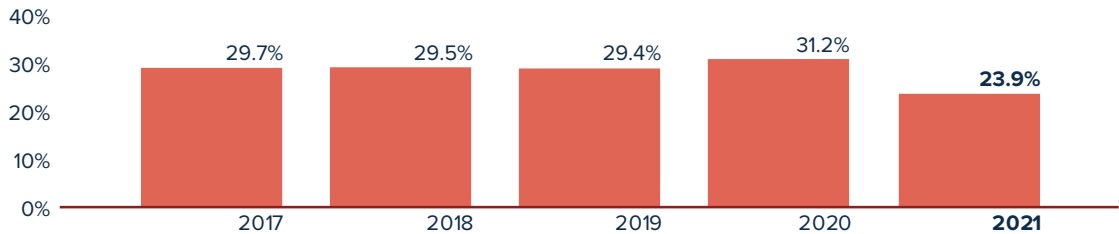


GRANT PAYOUT

The total payout from DAFs at Single-Issue Charities was 23.9 percent in 2021, a decrease from a 31.2 percent payout rate in 2020.

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

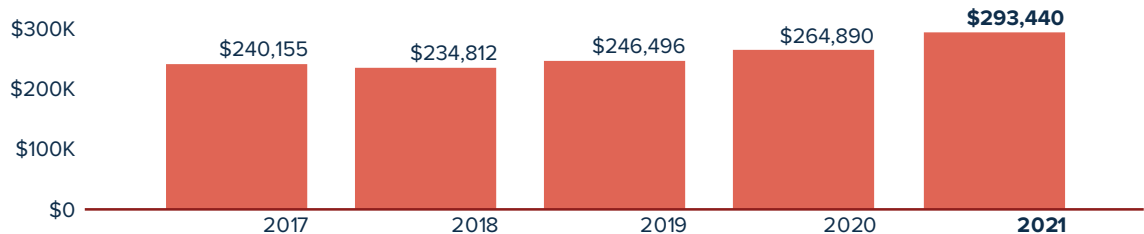
The payout rate formula is: Grants in this year divided by Assets from the end of the prior year.



AVERAGE DAF ACCOUNT SIZE

The average DAF account size at Single-Issue Charities was \$293,440 in 2021. This represents an increase of 10.8 percent compared with the 2020 average of \$264,890. The compound annual growth rate from 2017 to 2021 was 5.1 percent.

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



OBSERVATIONS AND PROJECTIONS

IN THE LAST *DONOR-ADVISED FUND REPORT*, we predicted rapid growth in grantmaking for 2021. This prediction was informed, in part, by grantmaking we observed in the last half of 2020. One-third of DAF sponsors in our database report on a fiscal year, meaning that, for those sponsors, activity in the last half of 2020 appears in the 2021 data. We also expected growth in contributions as the effects of the pandemic continued to evolve, but we did not forecast that it would be the fastest contribution growth rate on record. Donors may have made contributions to their DAFs in response to significant stock market growth and planning for increased grantmaking in the future.

When analyzing this year's growth by sponsor type, National Charities experienced the most accelerated growth of all sponsor types. Grantmaking increased at National Charities by 41.6 percent and at Community Foundations by 16.5 percent, while decreasing at Single-Issue Charities by 16 percent. Grants from National Charities to qualified charitable organizations accounted for 70 percent of all DAF grants. Community Foundations and Single-Issue Charities accounted for 21 and 9 percent of total DAF grants, respectively.

Charitable assets increased at all sponsor types, with National Charities seeing the fastest increases at 44 percent, Community Foundations at 34 percent and Single-Issue Charities at 24 percent. National Charities hold 64 percent of all DAF charitable assets, while Community Foundations have 27 percent and Single-Issue Charities have 9 percent.



What Lies Ahead?

We project next year's report will see continued growth in grantmaking from DAFs to charitable organizations. We also project DAFs are likely to experience slower rates of growth in charitable assets as a result of volatility in the financial markets.

Our projections are based on NPT's historical knowledge of DAF trends, data from the past year and observations on the economic and political climate in recent years.

METHODOLOGY

THE 2022 DONOR-ADVISED FUND REPORT examines a total of 995 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 2017 through 2021. 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. Form 990 is the annual information return that charities file with the Internal Revenue Service. For those organizations that filed Form 990 returns for fiscal year 2009 and later, this information is found in Schedule D. For organizations that filed returns prior to fiscal year 2008, this may include information found on other portions of Form 990. 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 Candid/GuideStar and ProPublica. For example, whether an organization's fiscal year ends on March 31, 2021 or December 31, 2021, the data will be recorded as 2021. 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 expanded the database, covering more donor-advised fund sponsors. In this edition, the data are again compiled from the larger database. NPT studies and verifies the accuracy of the filings before adding an organization to our database. In 2022, we consulted Candid, ProPublica and other sources to verify and update our list of past and present DAF sponsors.

For this edition, NPT reviewed 995 organizations that reported at least \$1 in assets from fiscal year 2017 through fiscal year 2021: 60 National Charities, 607 Community Foundations and 328 Single-Issue Charities. Data comes from the most recent IRS Forms 990. For some organizations whose fiscal year 2021 data was not yet publicly available, we received the data directly from the charity. Where 2021 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 2020 and 2021. That rate by sponsor type was then applied to the 2020 values from IRS Form 990s, again stratified by sponsor type, to estimate a value for 2021.

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 1,127 charities in the file. Note that as we update the list with sponsors, values for prior years (2015 to 2020) 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 common methodologies, have been consistently high and well above the mandated minimum payout rate of five 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 permitted for private foundations.

In 2014, this report began using a grant payout rate formula modeled on private foundations' payout calculation.¹⁰ This formula allows us to compare the two most common types of philanthropic vehicles.

That formula is:

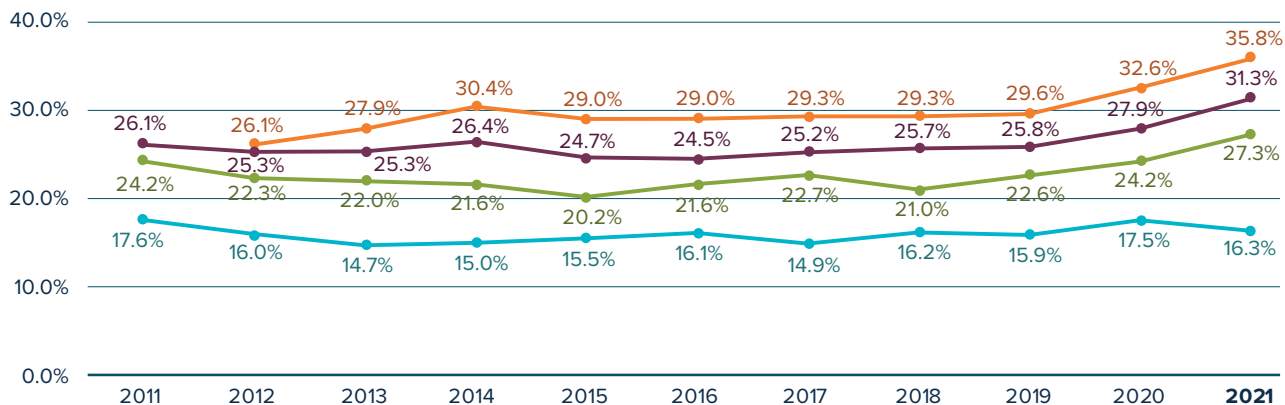
$$\frac{\text{This year's grants divided by}}{\text{Last year's year-end assets}}$$

¹⁰ Prior to the 2014 edition, the payout rate calculation in the Donor-Advised Fund Report was: This year's grants divided by This year's year-end assets plus the amount distributed in grants during the year. 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 five percent — even above 14 percent.

Payout calculations for 2007-2021 with the most recent data available (including an 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 Different Calculation Methods

All Sponsors, 2011-2021



*To learn more about the formulas, visit our [DAF Spotlight: DAF Grant Payout Rates](#).

- Standard Method (Foundation Center) [This year grants/Prior year assets]
- Prior Method [This year grants/EOY assets+grants]
- 3-Year Averaging of assets to last year
- 5-Year Averaging of assets to last year

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.

Colton C. Strawser, Ph.D. of [Colton Strawser Consulting](#) supported the analysis and writing of this report. Colton Strawser Consulting services focus on *empowering organizations to create change*® by helping nonprofits and funders develop data, funding and leadership skills. In addition to research and evaluation, services include foundation management, organizational development and capacity building, and government grant writing.

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, AVP, Global Communications; and Erin Hoyes of Weldon Communications. Richard Virgilio of Virgilio Media provided consulting and promotional services. NPT extends its appreciation to the members of our Global Communications, Creative and Project Management teams for their assistance, with special thanks to Megan Blackadar, Michaela Clarke, Kathryn Kochanowicz, Cara Levy, Marianne Mancini, Tom Miller, Becky Roosevelt, Aly Semigran and Charlie Thaxton.

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 AVP, Global Communications, at emullen@nptrust.org or 215.277.3043.



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