



National
Philanthropic
Trust

Your partner in giving

***2023 Donor-Advised
Fund Report***

An aerial photograph of a river winding through a landscape with green and brown vegetation. A white rectangular text box is centered on the page, containing the main title and body text. The river is visible on the left and right sides of the frame, with a mix of green grass and brown, possibly dried or eroded, earth along its banks.

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

THE 2023 EDITION examines data from 1,151 charitable organizations that sponsored donor-advised funds (DAFs) in 2022. The results show increases in grants from DAFs and contributions to DAFs—both reaching new highs.

This edition of the *Donor-Advised Fund Report* highlights continued growth for DAFs but at a slower pace than in recent years. There were steep increases in all metrics during both the initial onset of the pandemic and its immediate aftermath. We are now observing slower rates of growth in grants and contributions and decreases in charitable assets and the payout rate. Some data highlights:

- **Grants from DAFs increased 9 percent to \$52.16 billion, a new high for grant dollars.** Grantmaking has increased every year since 2009 and has more than doubled in the past five years. DAF donors have consistently demonstrated their commitment to supporting nonprofits operating in challenging environments.
- **Contributions and grants grew in tandem.** Both grants and contributions saw 9 percent growth rates in 2022. These growth rates are slower than the previous two years when donors gave to and granted from their DAFs in response to global and social events such as the COVID-19 pandemic and racial justice movements.

- **Total charitable assets in DAFs declined slightly**—a 1.1 percent decrease from 2021—in part because the stock market dropped significantly during this time period. Despite the most notable market decline since 2008, DAF assets reached \$228.89 billion in 2022, the second-highest value on record after 2021.
- **DAF payout rate declined.** After experiencing consecutive new highs in 2020 and 2021, the DAF payout rate decreased to 22.5 percent in 2022.

Since we began analyzing DAF data over 15 years ago, much has evolved in the charitable sector. There are more ways to give—and more nonprofit organizations to give to—than ever before. When total charitable giving in the U.S. declined in 2022 and returned to pre-pandemic levels, DAF donors actually accelerated their DAF giving. They recommended more grant dollars than their previous “high-water mark” in 2021. We expect that DAF donors will utilize their DAFs to support charities and causes important to them well into the future.

Regards,

A handwritten signature in black ink that reads "Eileen R. Heisman". The signature is written in a cursive, flowing style.

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 financial firms and those connected to religious institutions. Many donors use DAFs for individual and family giving, and DAFs are now part of workplace giving programs, online fundraising platforms and other models that expand philanthropy. National Philanthropic Trust (NPT) publishes this report as a public service to those who are interested in the activities of this charitable giving vehicle.

NPT began tracking donor-advised fund data in 2007. This DAF report is based on data collected during 2023 about DAFs and their charitable sponsors in fiscal year 2022. Our historic data file includes records from 1,295 DAF sponsors which have operated at some time since 2007. However, this edition of the *Donor-Advised Fund Report* relies on data from 1,151 charitable sponsors that reported assets in any year from 2018 through 2022. Please visit our Methodology section for more information.



CHARITABLE SPONSORS EXAMINED IN THIS REPORT

73 National Charities

725 Community Foundations

353 Single-Issue Charities



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 for the year in which the donation is made. A charitable organization serves broad charitable purposes in educational, religious, scientific and/or 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 conduct due diligence to ensure that potential grant recipients are qualified charitable organizations and administer donor-advised funds to ensure compliance with all applicable laws and regulations. Charitable sponsors may also be called a sponsoring charity or donor-advised fund sponsor.

Community Foundation

A Community Foundation is a tax-exempt organization that raises funds from the public. Most Community Foundations 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 average annual growth rate over a set time period if you assume that any gains are reinvested.

Contribution

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

Donor-Advised Fund (DAF)

An account administered by a charitable sponsor that is used for philanthropic giving. A donor-advised fund is a giving vehicle that donors can establish and fund 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. All recommendations are non-binding on the charitable sponsor, which retains exclusive legal control over contributed assets.

Grant

A transfer of assets from a charitable organization 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, focused on the environmental, social justice or international relief.

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 THIS REPORT, WE ANALYZE GIVING TO AND FROM DAFs FOR FISCAL YEAR 2022. Charitable organizations operate on different fiscal year periods, which means the reporting period began as early as March 1, 2021, for some organizations and ended as late as December 31, 2022, for others.

The period this report covers reflects the continued effects of the COVID-19 pandemic, which emerged in the United States in early 2020 and remains a persistent public health consideration at the time of this report's publication in November 2023. A divisive political environment dominated the news cycle and American life, notably marked by the residual impact of January 6, 2021, landmark Supreme Court decisions, midterm elections and heartbreaking mass shootings. Important global events in 2022—including the war in Ukraine, rising inflation, continued global supply chain issues and extreme climate events—may also have influenced where and how donors decided to give.

Economic indicators play an important role in charitable giving. In 2022, the overall U.S. economy experienced the following:

- Stock market declines, with both the Dow Jones Industrial Average (Dow) and the Standard & Poor's 500 Index (S&P 500) experiencing significant declines during the year. By year-end, the Dow was down 8.8 percent. The S&P 500 was 19.4 percent lower than at the end of the prior year, the most significant decline since the 2008 financial crisis.²
- Gross domestic product increased year-over-year by 1.9 percent after taking inflation into account.³
- Disposable personal income, also adjusted for inflation, declined 5.9 percent.⁴
- Unemployment returned to its pre-pandemic level, declining to 3.5 percent at the end of the year.⁵

In response to the events noted above, grants from DAFs rose in 2022, as did contributions and the number of DAF accounts. Charitable assets in DAFs declined, due in part to stock market losses.

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

	2021	2022	% Change
Charitable Assets	\$231.35	\$228.89	-1.1%
Total Grants	\$47.83	\$52.16	9.0%
Total Contributions	\$78.44	\$85.53	9.0%
Payout Rate*	28.7%	22.5%	-6.2 percentage points
Average DAF Account Size	\$122,162	\$117,466	-3.8%
Number of DAF Accounts	1,893,762	1,948,545	2.9%

* 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 Year-end values for DOW and S&P500 obtained from finance.yahoo.com on October 24, 2023.

³ Bureau of Economic Analysis (BEA.gov), U.S. Economy at a Glance Table, published September 28, 2023 and accessed October 24, 2023.

⁴ Ibid.

⁵ Bureau of Labor Statistics (BLS.gov), Civilian Unemployment Rate, accessed October 24, 2023.

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.

Table 2: Donor-Advised Funds and Private Foundations in 2022 (\$ Billions)

	Donor-Advised Funds	Private Foundations
Charitable Assets	\$228.89	\$1,158.00
Total Grants	\$52.16	\$99.67

- **DAF charitable assets amount to 20 percent of those in private foundations.**
- **The value of DAF grants in 2022 amounts to 52.3 percent of the value of grants from private foundations.**⁶
- **In 2022, DAFs granted 22.5 percent of their assets from the previous year.** 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.

⁶ The asset and grant total for private foundations in this table are reported by FoundationMark and include 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>



Growth in Recent Years

DAF activity increased in 2022, with grants from DAFs and contributions to DAFs reaching all-time highs.

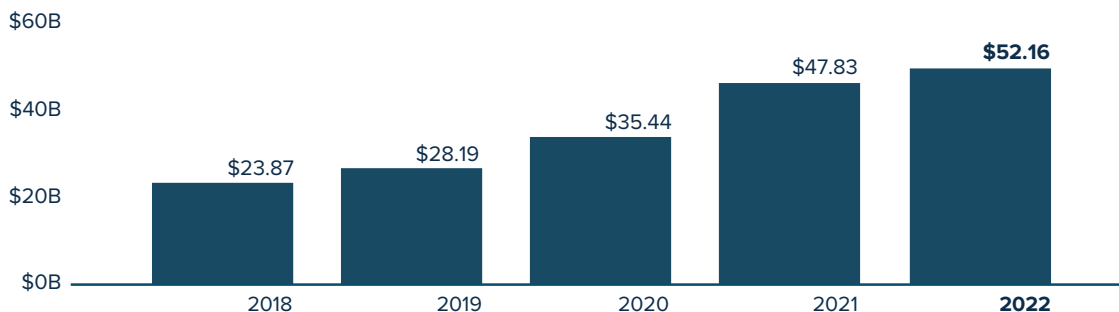


GRANTS PASS \$52 BILLION FOR NEW HIGH

Grants from DAFs to charitable organizations reached \$52.16 billion, a 9 percent increase from a revised 2021 total of \$47.83 billion.⁷ A 9 percent growth rate marks the first time grant growth has been less than 10 percent since 2012. The compound annual growth rate for grants from 2018 to 2022 is 21.6 percent.

Despite the slower rate of growth from 2021 to 2022, grants have more than doubled—increasing 118.5 percent—over the past five years.

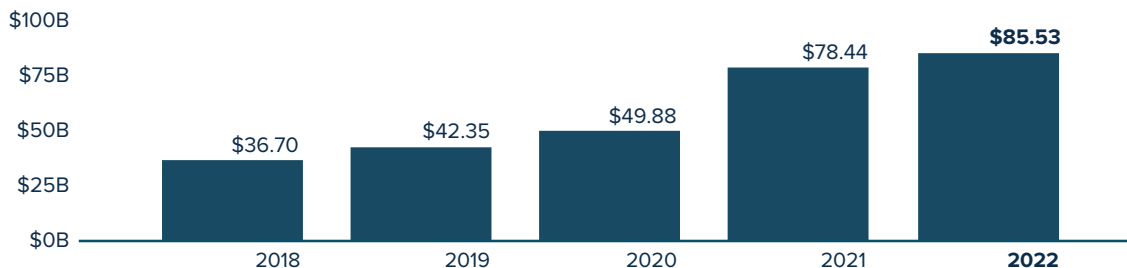
Figure 1: Total Value of Grants Made by Donor-Advised Funds (\$ in Billions)



CONTRIBUTIONS INCREASE RAPIDLY

Contributions to DAFs in 2022 totaled \$85.53 billion, an all-time high. This number surpasses the revised 2021 value of \$78.44 billion and is a 9 percent year-over-year increase. The compound annual growth rate for contributions from 2018 to 2022 is 23.6 percent.

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

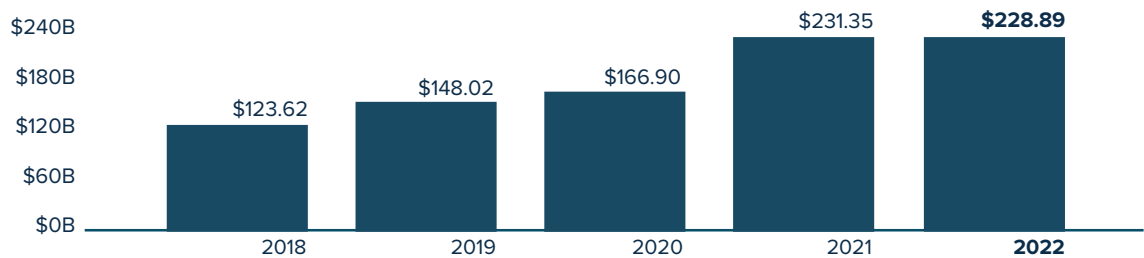


⁷ Grants from one DAF charitable sponsor to another DAF charitable sponsor, also called "DAF-to-DAF transfers," are included in this grant total. There are many reasons why a donor may recommend a grant to another DAF, including giving to collaborative DAFs or giving circles or emergency funds that are housed at a different charitable sponsor, like COVID-19 or disaster relief 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 DECLINE SLIGHTLY

Charitable assets in all DAFs totaled \$228.89 billion in 2022, a 1.1 percent decrease from the revised 2021 total of \$231.35 billion. The compound annual growth rate for charitable assets from 2018 through 2022 is 17.2 percent. All charitable assets in DAFs must be used for charitable purposes.

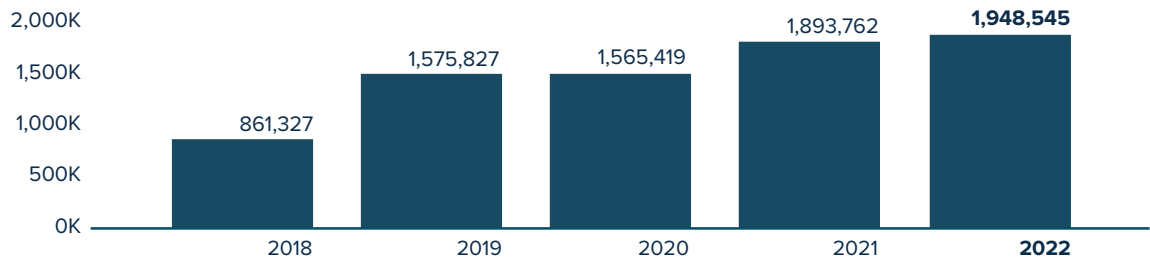
Figure 3: Total Assets in Donor-Advised Funds (\$ in Billions)



NUMBER OF DAF ACCOUNTS APPROACHES 2 MILLION

The number of individual DAF accounts rose 2.9 percent from 1,893,762 in 2021 to 1,948,545 in 2022. The compound annual growth rate for the number of donor-advised fund accounts from 2018 through 2022 is 22.6 percent.

Figure 4: Total Number of Donor-Advised Fund Accounts

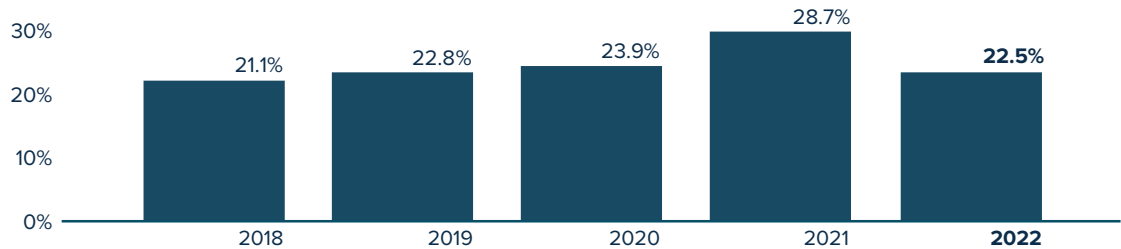


PAYOUT REMAINS ABOVE 20 PERCENT

Aggregate grant payout rates from DAFs have exceeded 20 percent in every year on record. The DAF grant payout rate for 2022 was 22.5 percent. The highest payout rates on record occurred the two years prior: 2020 (23.9 percent) and 2021 (28.7 percent). The average payout rate between 2018 and 2022 is 24.8 percent.

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

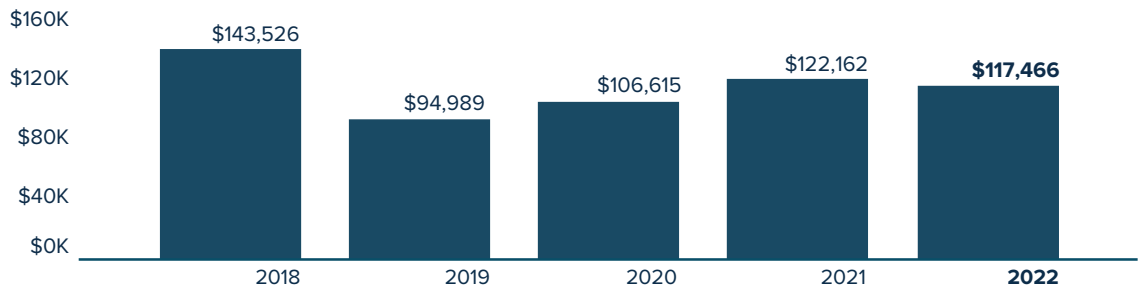
The payout rate formula is: Grants in this year divided by Assets from the end of the prior year.



AVERAGE DONOR-ADVISED FUND ACCOUNT SIZE IS UNCHANGED

The average size of an individual DAF account is estimated to be \$117,466 for 2022. This is a 3.8 percent decrease compared with the revised estimate for 2021 of \$122,162. Since 2018, the average DAF account size has decreased 18.2 percent as workplace giving models and other high-volume DAF account sponsors have grown.

Figure 6: Average Donor-Advised Fund Account Size



Comparison to Charitable Sponsor Types

THERE ARE AN ESTIMATED 1.82 MILLION ORGANIZATIONS in the United States that are recognized as public charities by the Internal Revenue Service.⁸ 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.

⁸ Internal Revenue Service. 2022. IRS Data Book. Table 14: Tax-Exempt Organizations, Nonexempt Charitable Trusts, Nonexempt Split-Interest Trusts, Fiscal Year 2022, Obtained October 15, 2023 from <https://www.irs.gov/statistics/soi-tax-stats-tax-exempt-organizations-and-nonexempt-charitable-trusts-irs-data-book-table-14>





The results of philanthropy are always beyond calculation.”

Mary Ritter Beard



National Charities

This report analyzes DAF data from 73 National Charities. National Charities are DAF sponsors with a national scope in both fundraising and grantmaking. They include charities affiliated with financial institutions, those facilitating workplace giving, crowdfunding and app-based giving, and other independent organizations.

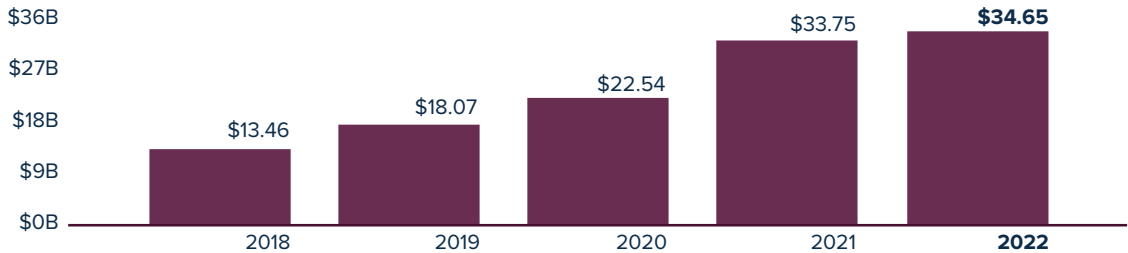
73 National Charities | **1,771,844** DAF Accounts | **\$34.65 Billion** Grants



GRANTS

The total value of grants from DAFs at National Charities to other qualified charities totaled \$34.65 billion in 2022, an increase of 2.7 percent from 2021. The compound annual growth rate from 2018 to 2022 is 26.7 percent. National Charities distribute 66.4 percent of all grant dollars from DAFs.

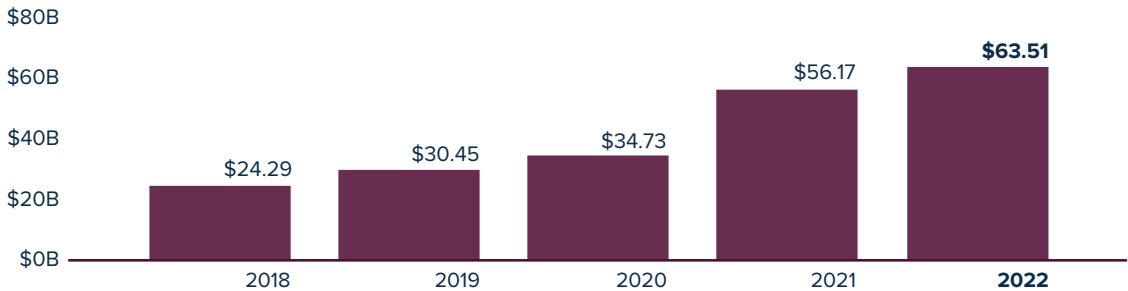
Figure 7: Value of Grants from DAFs at National Charities (\$ in Billions)



CONTRIBUTIONS

Contributions to DAFs at National Charities totaled \$63.51 billion in 2022. This represents a 13.1 percent increase over the prior year. This year's rate of growth is slower than the compound annual growth rate of 27.2 percent from 2018 to 2022.

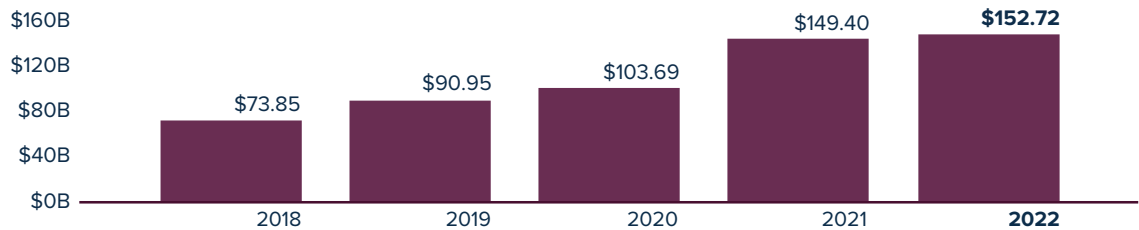
Figure 8: Value of Contributions to DAFs at National Charities (\$ in Billions)



CHARITABLE ASSETS

Total charitable assets in DAFs at National Charities reached \$152.72 billion in 2022, a 2.2 percent increase from a revised 2021 total of \$149.40 billion. The compound annual growth rate for charitable assets at National Charities from 2018 through 2022 is 20.8 percent.

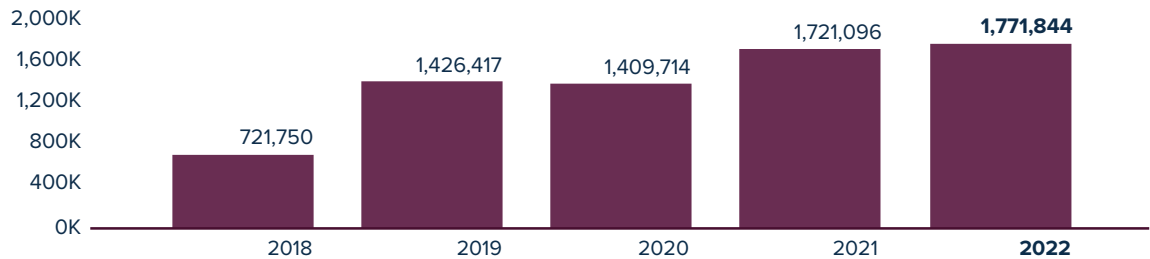
Figure 9: Charitable Assets in DAFs at National Charities (\$ in Billions)



NUMBER OF DONOR-ADVISED FUNDS

The number of individual DAF accounts at National Charities grew to an estimated 1,771,844 in 2022 from a revised 1,721,096 in 2021, a 2.9 percent increase. This one-year growth rate is slower than the compound annual growth rate of 25.2 percent from 2018 to 2022. National Charities sponsor 90.9 percent of all DAF accounts.

Figure 10: Number of DAF Accounts at National Charities

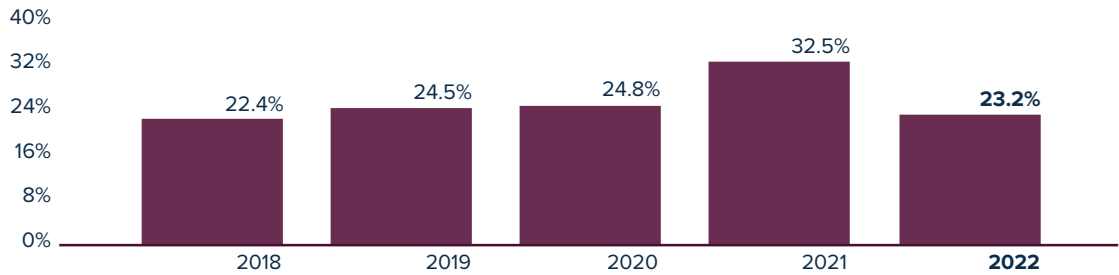


GRANT PAYOUT

The grant payout rate from DAFs at National Charities was 23.2 percent in 2022. The average payout rate between 2018 and 2022 is 26.08 percent.

Figure 11: Annual Payout Rate for DAFs at National Charities

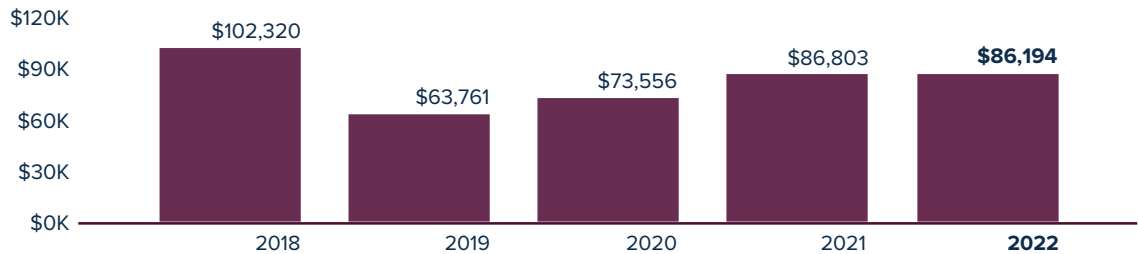
The payout rate formula is: Grants in this year divided by Assets from the end of the prior year.



AVERAGE DAF ACCOUNT SIZE

The average DAF account size at National Charities in 2022 is estimated at \$86,194. This is a 0.7 percent decrease compared with the revised 2021 average of \$86,803.

Figure 12: Average DAF Account Size at National Charities



Community Foundations

This report analyzes DAF data from 725 Community Foundations. For the purposes of this report, Community Foundations are DAF sponsors that focus their fundraising and grantmaking efforts within a specific community or region.

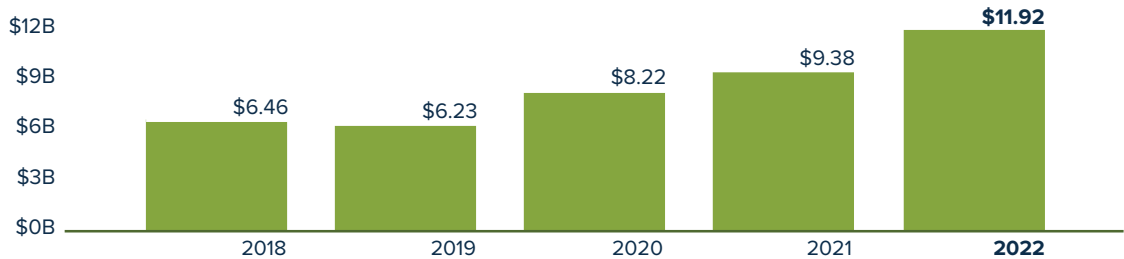
725 Community Foundations | **99,416** DAF Accounts | **\$11.92 Billion** Grants



GRANTS

Grants from DAFs at Community Foundations totaled an estimated \$11.92 billion in 2022, up by 27.1 percent from \$9.38 billion granted in 2021. Grants from DAFs at Community Foundations constituted 22.8 percent of total DAF grant dollars in 2022. The compound annual growth rate from 2018 to 2022 is 16.5 percent.

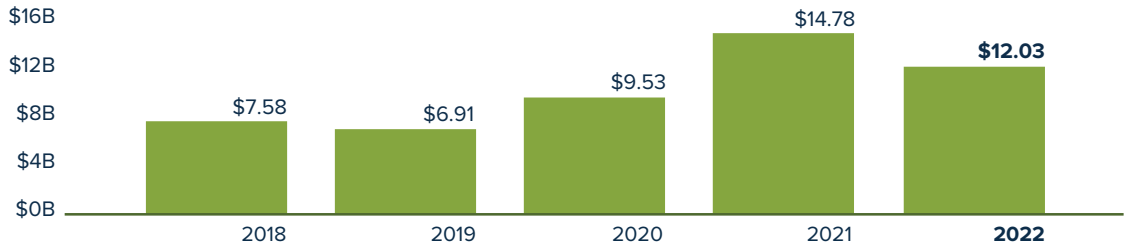
Figure 13: Value of Grants from DAFs at Community Foundations (\$ in Billions)



CONTRIBUTIONS

Total contributions to DAFs at Community Foundations were \$12.03 billion in 2022, an 18.6 percent decrease from a revised total of \$14.78 billion the prior year. The highest year of contributions to Community Foundations on record is 2021, with 2022 as the second highest. The compound annual growth rate in contributions to DAFs at Community Foundations from 2018 to 2022 is 12.3 percent.

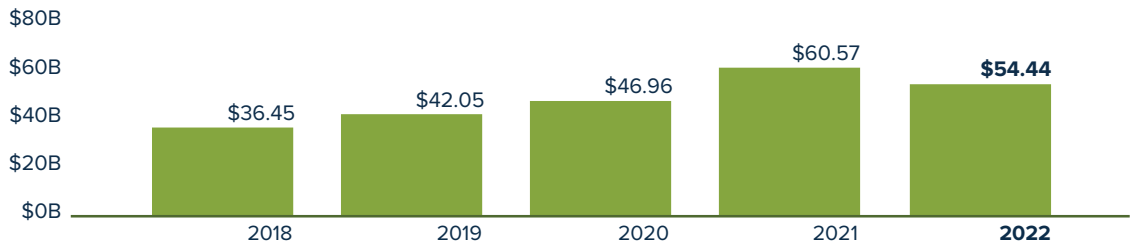
Figure 14: Value of Contributions to DAFs at Community Foundations (\$ in Billions)



CHARITABLE ASSETS

Charitable assets in DAFs at Community Foundations totaled \$54.44 billion in 2022, a 10.1 percent decrease from \$60.57 billion in 2021. The compound annual growth rate for 2018 through 2022 is 10.6 percent.

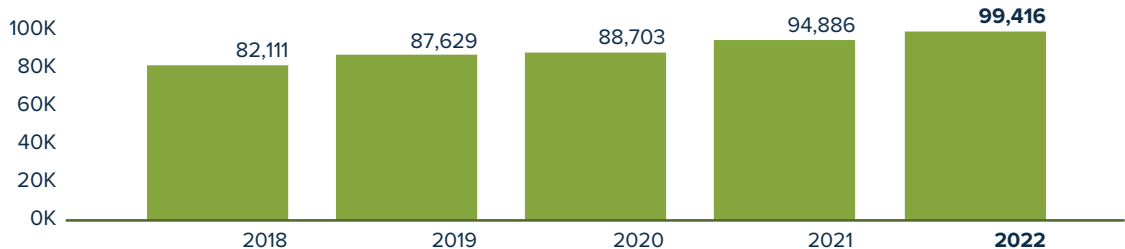
Figure 15: Charitable Assets in DAFs at Community Foundations (\$ in Billions)



NUMBER OF DAF ACCOUNTS

The number of individual DAF accounts at Community Foundations was an estimated 99,416 in 2022, a 4.8 percent increase from the revised total of 94,886 in 2021. The compound annual growth rate from 2018 through 2022 was 4.9 percent.

Figure 16: Number of DAF Accounts at Community Foundations

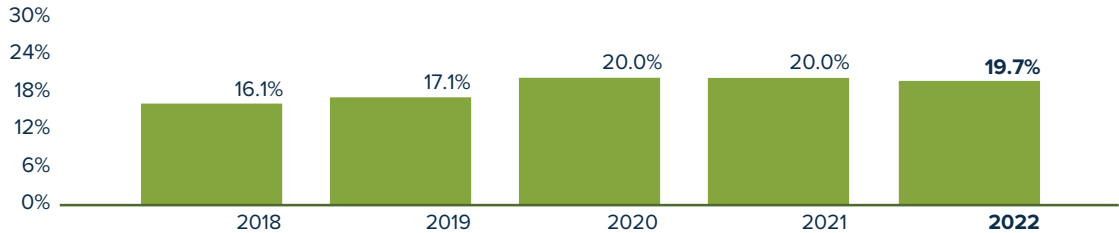


GRANT PAYOUT

The total grant payout from DAFs at Community Foundations was an estimated 19.7 percent in 2022, a slight decrease from 20 percent in 2021. The average grant payout rate between 2018 and 2022 was 19.6 percent.

Figure 17: Annual Payout Rate for DAFs at Community Foundations

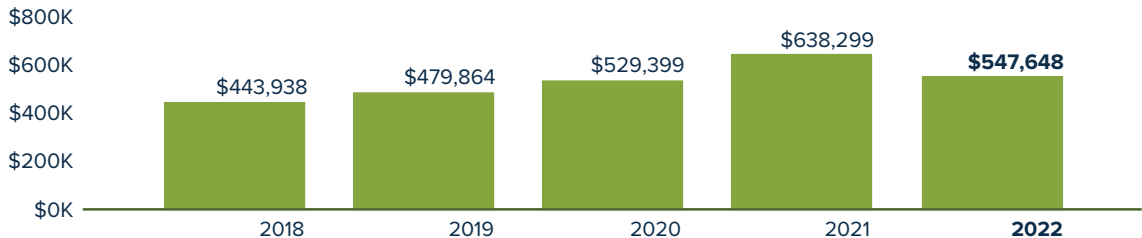
The payout rate formula is: Grants in this year divided by Assets from the end of the prior year.



AVERAGE DAF ACCOUNT SIZE

The average DAF account size at Community Foundations was \$547,648 in 2022. This represents a 14.2 percent decrease from the 2021 average of \$638,299. The compound annual growth rate for average DAF account size from 2018 to 2022 is 5.4 percent. The average DAF account size is almost double that of Single-Issue Charities and nearly six times greater than the average DAF account size at National Charities.

Figure 18: Average DAF Account Size at Community Foundations



Single-Issue Charities

This report analyzes DAF data from 353 Single-Issue Charities. In this report, Single-Issue Charities are those DAF sponsors that work in a specific topic area. This includes colleges and universities, faith-based charities and those focused on a particular sector such as the environment, social justice or international relief.

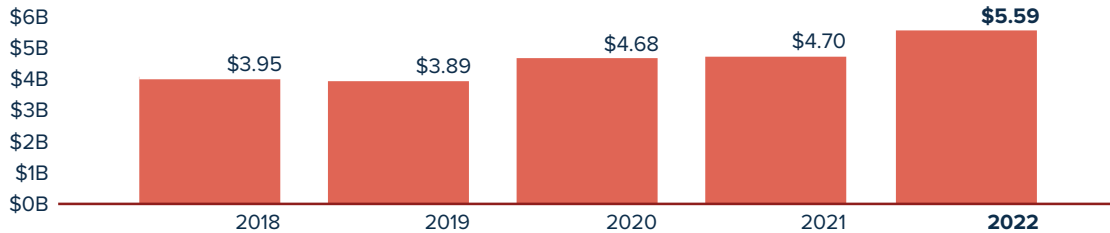
353 Single-Issue Charities | **77,285** DAF Accounts | **\$5.59 Billion** Grants



GRANTS

Grants from DAFs at Single-Issue Charities totaled \$5.59 billion in 2022, an 18.9 percent increase from a revised total of \$4.70 billion in 2021. The compound annual growth rate from 2018 to 2022 was 9.1 percent.

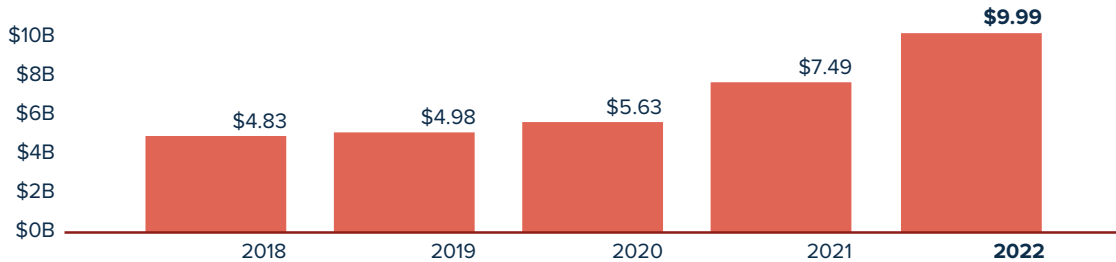
Figure 19: Value of Grants from DAFs at Single-Issue Charities (\$ in Billions)



CONTRIBUTIONS

Contributions to DAFs at Single-Issue Charities totaled \$9.99 billion in 2022, a 33.3 percent increase from the revised total of \$7.49 billion for 2021. This increase continues a steady rise in contributions to Single-Issue Charities over the past several years. The compound annual growth rate from 2018 to 2022 was 19.9 percent.

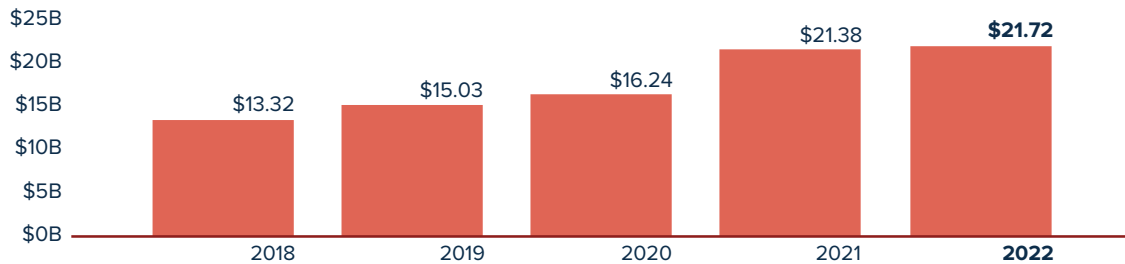
Figure 20: Value of Contributions to DAFs at Single-Issue Charities (\$ in Billions)



CHARITABLE ASSETS

Charitable assets in DAFs at Single-Issue Charities totaled an estimated \$21.72 billion in 2022. This is a 1.6 percent increase from a revised amount of \$21.38 billion in 2021. The compound annual growth rate from 2018 to 2022 was 13.3 percent.

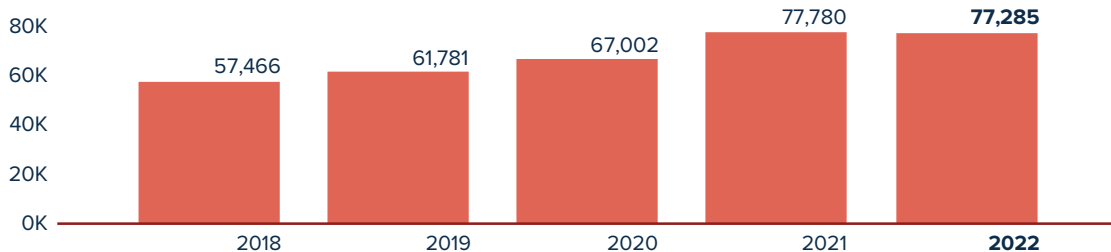
Figure 21: Charitable Assets in DAFs at Single-Issue Charities (\$ in Billions)



NUMBER OF DAF ACCOUNTS

There were 77,285 individual DAF accounts at Single-Issue Charities in 2022. This number is a very slight 0.6 percent decrease compared with 2021, when there were 77,780 individual DAF accounts. The compound annual growth rate from 2018 to 2022 was 7.7 percent.

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

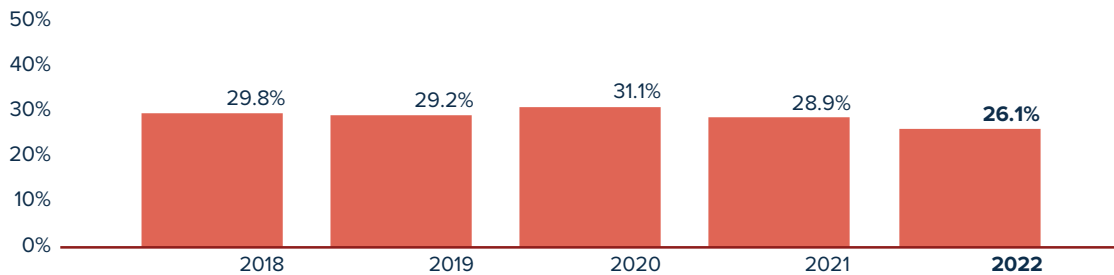


GRANT PAYOUT

The total grant payout from DAFs at Single-Issue Charities was 26.1 percent in 2022, a decrease from a 28.9 percent payout rate in 2021. The average grant payout rate between 2018 and 2022 was 31.4 percent.

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

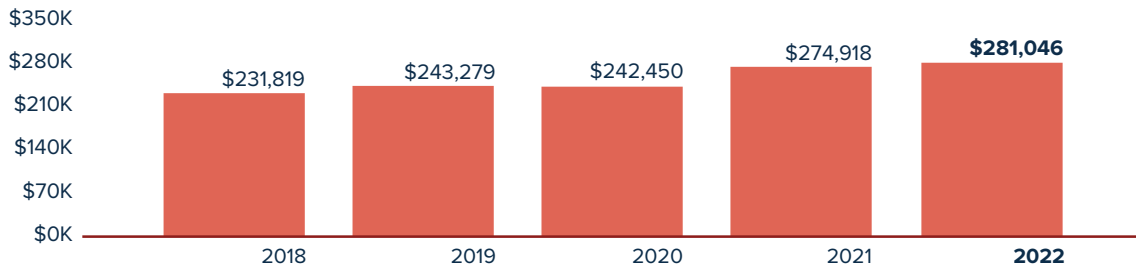
The payout rate formula is: Grants in this year divided by Assets from the end of the prior year.



AVERAGE DAF ACCOUNT SIZE

The average DAF account size at Single-Issue Charities was \$281,046 in 2022. This represents an increase of 2.23 percent compared with the 2021 average of \$274,918. The compound annual growth rate from 2018 to 2022 was 4.9 percent.

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



Methodology



THE 2023 DONOR-ADVISED FUND REPORT examines a total of 1,151 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 2018 through 2022. 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

Since the publication of NPT's first report in 2007, 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 and 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, 2022, or December 31, 2022, the data will be recorded as 2022. 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 2023, we consulted Candid/GuideStar, ProPublica and other sources to verify and update our list of past and present DAF sponsors.

For this edition, NPT reviewed 1,151 organizations that reported at least \$1 in assets from fiscal year 2018 through fiscal year 2022: 73 National Charities, 725 Community Foundations and 353 Single-Issue Charities. Data comes from the most recent IRS Form 990. For some organizations whose fiscal year 2022 data was not yet publicly available, we received the data directly from the charity. Where 2022 data was not available, This process takes a rate of change by sponsor type for organizations where data were on file for 2021 and 2022. That rate by sponsor type was then applied to the 2021 values from IRS Form 990s, again stratified by sponsor type, to estimate a value for 2022.

NPT maintains a time series of all key data points (charitable assets, grants, contributions and DAF accounts) back to fiscal year 2007. Some of the organizations in the file have closed or merged. There are 1,295 charities in the file. Note that as we update the list with sponsors, values for prior years (2018 to 2022) 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.

In 2012, 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 130,000 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 Rates

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.⁹ This formula allows us to compare the two most common types of philanthropic vehicles. That formula is:

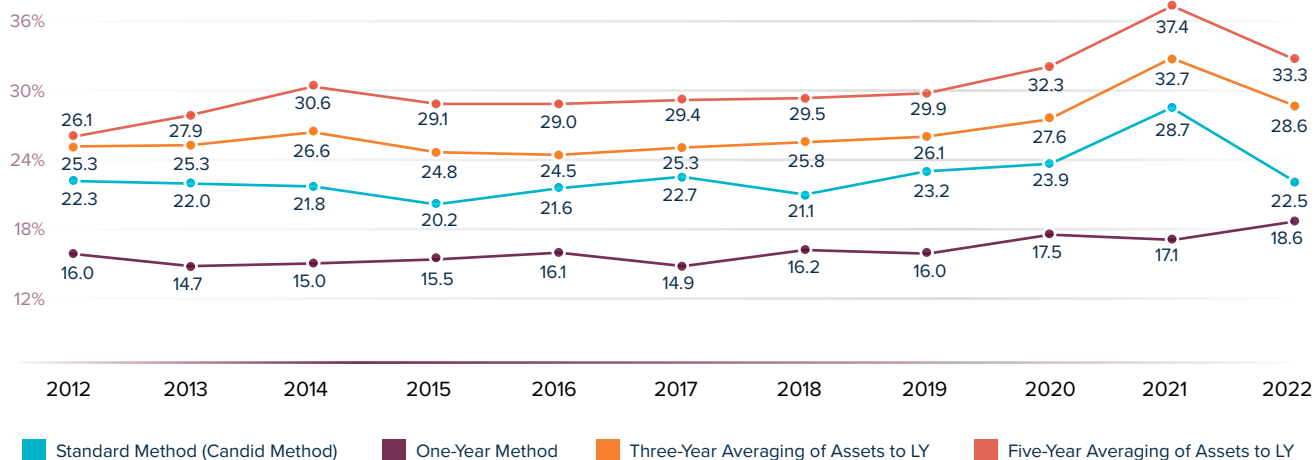
This year's grants divided by

Last year's year-end assets

⁹ 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 2012-2022 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, 2012-2022)



DAF grant payout formulas used in this Report are as follows:

- Standard Method (Candid Method) is based on grants made this year divided by assets held at the end of last year.
- One-Year Method is this year’s grants divided by this year’s end-of-year assets plus this year’s grants, on the assumption that all money in a DAF at any point of the fiscal year was available for grantmaking.
- Three-Year Averaging of Assets to Last Year (LY) is grants this year divided by the average value of assets last year, the year before last, and two years ago.
- Five-Year Averaging of Assets to Last Year (LY) is grants this year divided by the average value of assets from five years ago to last year.

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ABOUT THE ANALYST

Colton C. Strawser, Ph.D., of [Colton Strawser Consulting](#), provided analysis and writing services for this report. Colton Strawser Consulting focuses 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.

Melissa S. Brown of [Melissa S. Brown Associates, LLC](#) supported the analysis and writing of 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; Jenna Mulhall-Brereton, Chief Philanthropic Solutions Officer; NPT's Communications team; 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 Communications, Creative and Technical Solutions, and Project Management teams for their assistance, with special thanks to Megan Blackadar, Arielle Brousse, Michaela Clarke, Kathryn Kochanowicz, Cara Levy, Marianne Mancini, Tom Miller, Becky Roosevelt and Aly Semigran.

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