



National  
Philanthropic  
Trust

*Your partner in giving*

***2024 Donor-Advised  
Fund Report***





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

**THE 2024 EDITION** offers data and insight about donor-advised fund (DAF) giving over the most recent five-year period ending in 2023. As you will read, DAF donors are mirroring some of the giving trends in the larger philanthropic sector, returning to pre-pandemic giving patterns and responding to economic forces. Data highlights include:

- **Grants** from DAFs declined slightly, from \$55.53 billion in 2022 to \$54.77 billion in 2023. This one-year drop marks only the second decline in grantmaking since we began recording data in 2007. It is also the second-highest aggregate grantmaking value on record, nearly doubling the 2019 pre-pandemic grantmaking total.
- **Contributions** to DAFs dropped significantly to \$59.43 billion in 2023, a 21.7 percent decline. It is the most precipitous one-year drop on record and comes two years after the sharpest one-year increase (from 2020 to 2021). Contributions seem to be returning to historical growth patterns.
- **Total charitable assets** increased almost 10 percent to \$251.52 billion as the stock market rebounded in 2023 after posting losses in 2022.
- **DAF payout rate** remains near 24 percent. The DAF grantmaking payout rate, which is a function of grants made relative to the charitable assets available, has been at or above 20 percent for every year on record.

This edition of the *Donor-Advised Fund Report* is my first as NPT's President and CEO. In my current and former roles, I have seen firsthand the tremendous impact that DAF donors can have. It is clear to me—in practice and underscored by this data—that DAFs help stabilize the philanthropic ecosystem. DAF donors are influenced by the same forces that affect overall giving patterns, be it economic, political or social. Yet DAF donors remain *remarkably* consistent in their grantmaking, providing critical operating support for nonprofit organizations around the globe.

I am extremely proud of the work we do at NPT to be part of that sustainable force for good.

Fondly,



**Holly Welch Stubbing**  
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.

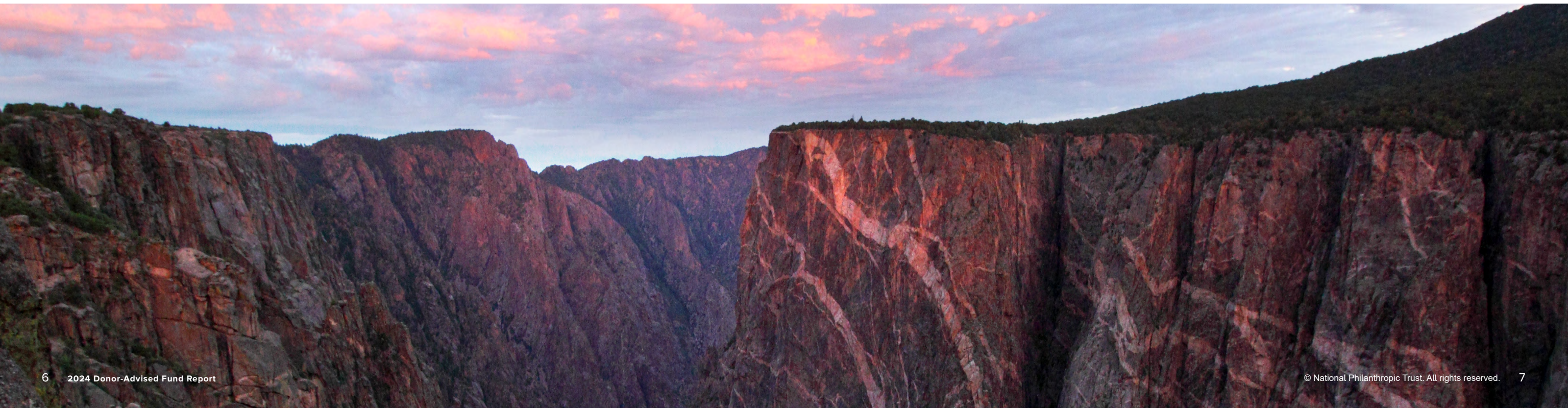
NPT began tracking donor-advised fund data in 2007. This report provides an up-to-date analysis of DAFs. It is based on data collected during 2024 about DAFs and their charitable sponsors in fiscal year 2023. Our historic data file includes records from 1,293 DAF sponsors which operated during at least some of the period since 2007. This edition of the *Donor-Advised Fund Report* relies on data from 1,140 charitable sponsors that reported assets in any year from 2019 through 2023. Please visit our Methodology section for more information.

## CHARITABLE SPONSORS EXAMINED IN THIS REPORT

**73** National Charities

**723** Community Foundations

**344** Single-Issue Charities





# Glossary of Terms

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## 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 providing 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. A charitable sponsor 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 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 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 environment, social justice or international relief.

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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.



# Market Overview

**IN THIS REPORT, WE ANALYZE GIVING** to and from DAFs for fiscal year 2023. Charities operate on different fiscal year periods, which means the reporting period began as early as March 1, 2022 for some charities and ended as late as December 31, 2023 for others.

This period was marked by labor union strikes in major industries, including autoworkers and entertainment writers; extreme weather events, including wildfires in Hawaii; increased public concern over and public investment in the development of artificial intelligence; ongoing political tensions and the indictment of a former U.S. president; major international conflicts in Ukraine, Israel and elsewhere; and global inflation. These and other global events may have influenced where and how donors gave.

Economic indicators often play an important role in charitable giving. In 2023, the overall U.S. economy experienced the following:

- The stock market rose. Both the Dow Jones Industrial Average (Dow) and the Standard & Poor’s 500 Index (S&P 500) increased after posting losses in 2022. By the 2023 calendar year-end, the Dow was 13.7 percent above its December 2022 close and the S&P 500 was 24.2 percent higher than at the end of the prior year.<sup>2</sup>
- It is important to note that market performance varied significantly during the 18-month period analyzed in this report, resulting in significantly different giving patterns between DAF sponsors that report on a fiscal year ending June 30 versus those that report on a calendar year ending December 31.
- Average annual rate of inflation was 4.1 percent, easing from the 2022 average rate of 8.0 percent.<sup>3</sup>
- Gross domestic product increased year-over-year by 2.5 percent after taking inflation into account.<sup>4</sup>
- Personal income rose by 5.2 percent.<sup>5</sup>
- Unemployment remained flat from 2022 at 3.6 percent.<sup>6</sup>

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

	2021	2022	% Change
<b>Charitable Assets</b>	\$228.92	\$251.52	9.9%
<b>Total Grants</b>	\$55.53	\$54.77	-1.4%
<b>Total Contributions</b>	\$75.94	\$59.43	-21.7%
<b>Payout Rate*</b>	24.1%	23.9%	-0.2 percentage points
<b>Average DAF Account Size</b>	\$129,206	\$141,120	9.2%
<b>Number of DAF Accounts</b>	1,771,709	1,782,281	0.6%

\* 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.

<sup>2</sup> Year-end values for Dow and S&P 500 obtained from “Stocks close out 2023 with a 24% gain, buoyed by a resilient economy,” [cbsnews.com](https://www.cbsnews.com) (accessed October 16, 2024).

<sup>3</sup> Bureau of Labor Statistics, [U.S. Department of Labor](https://www.bls.gov), “Historical Consumer Price Index for all Urban Consumers” (accessed October 20, 2024)

<sup>4</sup> Gross domestic product was \$27.36 trillion for the year ending December 2023. [US Bureau of Economic Analysis](https://www.bls.gov), “Gross Domestic Product, Fourth Quarter and Year 2023 (Second Estimate),” (accessed October 17, 2024).

<sup>5</sup> Ibid.

<sup>6</sup> Bureau of Labor Statistics, U.S. Department of Labor, “Annual average unemployment rates decreased in 6 states in 2023,” (accessed October 16, 2024).



## 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 \$251.52 billion in DAF charitable assets and \$1.48 trillion in private foundation assets estimated for 2023. Comparing the two, DAF charitable assets amount to 16.98 percent of those in private foundations.

Grants from DAFs to qualified charities totaled \$54.77 billion in 2023. Grants and expenditures from private foundations totaled \$114.11 billion.<sup>7</sup> To compare, the value of DAF grants in 2023 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 2023, with no federal minimum payout requirement, DAFs voluntarily granted 23.9 percent of their assets from the prior year.

**Table 2: DAFs Compared With Independent Foundations In 2023 (\$ Billions)**

	Donor-Advised Funds	Private Foundations
<b>Charitable Assets</b>	\$251.52	\$1,481.98
<b>Total Grants</b>	\$54.77	\$114.11

<sup>7</sup> The asset and grant total used in this table are reported by [FoundationMark](#) and includes over 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.





## Growth in Recent Years

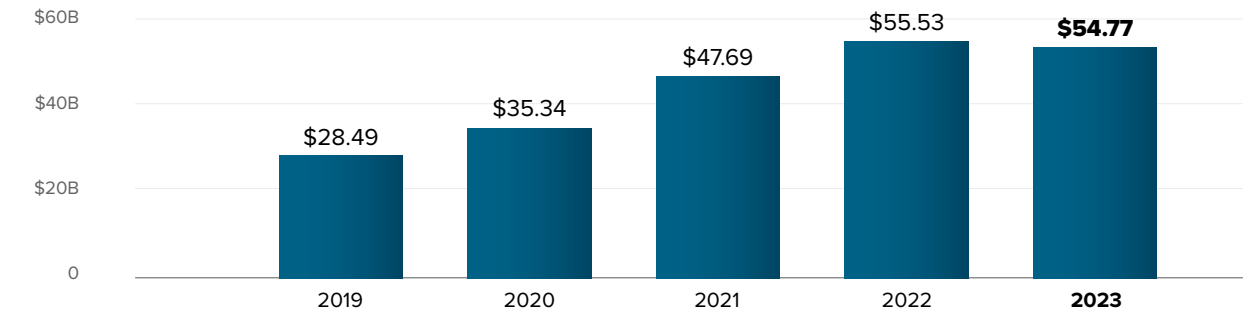
In 2023, DAFs provided steady support for nonprofits in terms of grant value and the DAF payout rate, experienced increases in overall assets and saw a sharper decline in contributions. Despite strong economic headwinds, DAF donors' continued commitment to philanthropy remains consistent and well above five-year benchmarks.



## GRANTS DECLINE SLIGHTLY FROM PREVIOUS HIGH

Grants from DAFs to charitable organizations totaled \$54.77 billion in 2023, a slight decline from the record high in 2022. This is a 1.4 percent decrease from a revised 2022 total of \$55.53 billion.<sup>8</sup> This is only the second decline in DAF grantmaking on record; the other occurred in 2009 following the 2008 recession. The compound annual growth rate for grants from 2019 to 2023 is 17.8 percent.

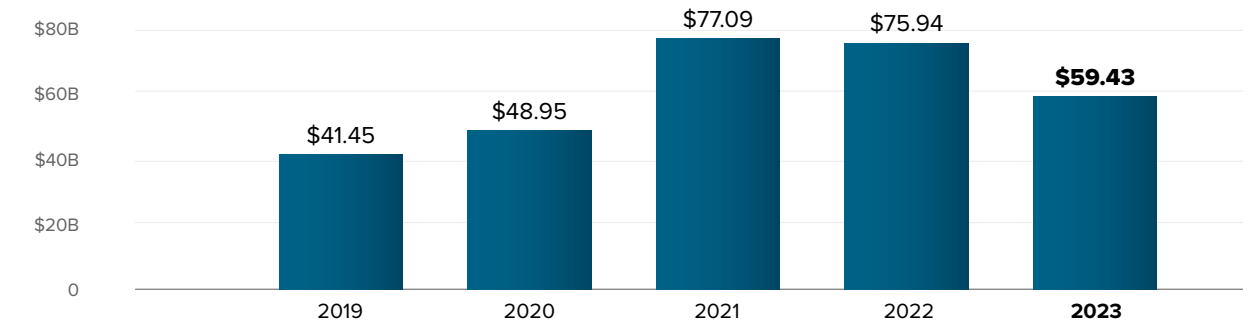
**Figure 1: Total Value of Grants Made by Donor-Advised Funds (\$ in Billions)**



## CONTRIBUTIONS DECLINE

Contributions to DAFs in 2023 totaled \$59.43 billion. This number is a 21.7 percent decline from the revised 2022 value of \$75.94 billion. This is the steepest decline on record and follows two years after the sharpest increase on record, seemingly reflecting a return to historical growth patterns after the global pandemic. The compound annual growth rate for contributions from 2019 to 2023 is 9.4 percent.

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



<sup>8</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 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 INCREASE 10 PERCENT

Charitable assets in all DAFs totaled \$251.52 billion in 2023, a 9.9 percent increase from the revised 2022 total of \$228.92 billion. The compound annual growth rate for charitable assets from 2019 through 2023 is 14.0 percent. All charitable assets in DAFs must be used for charitable purposes.

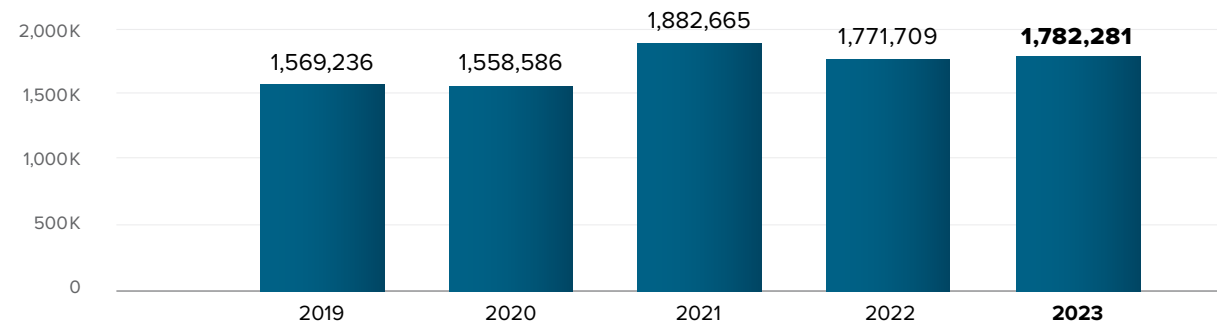
**Figure 3: Total Assets in Donor-Advised Funds (\$ in Billions)**



### NUMBER OF DAF ACCOUNTS INCREASES

The number of individual DAF accounts increased by 0.6 percent to 1,782,281. The compound annual growth rate for the number of donor-advised fund accounts from 2019 through 2023 is 3.2 percent.

**Figure 4: Total Number of Donor-Advised Fund Accounts**

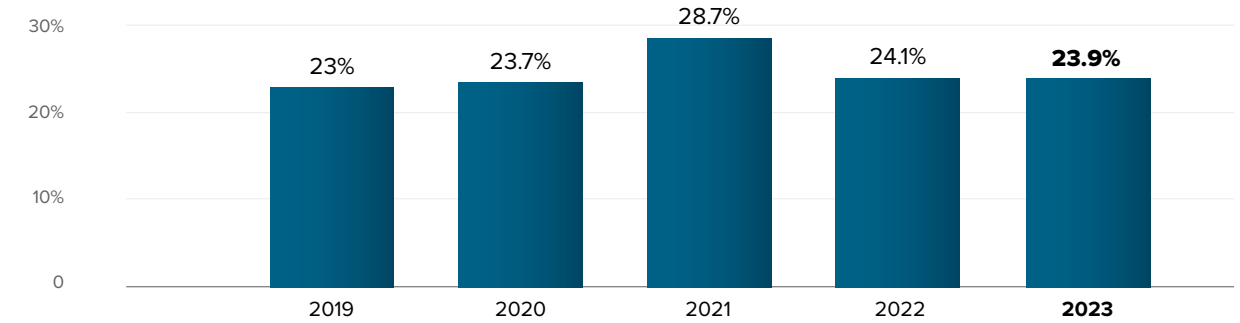


### PAYOUT RATE REMAINS ABOVE 20 PERCENT

The payout rate for 2023 was 23.9 percent, a slightly lower rate than 24.1 percent in 2022. Aggregate grant payout rates from DAFs annually exceed 20 percent every year on record.

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

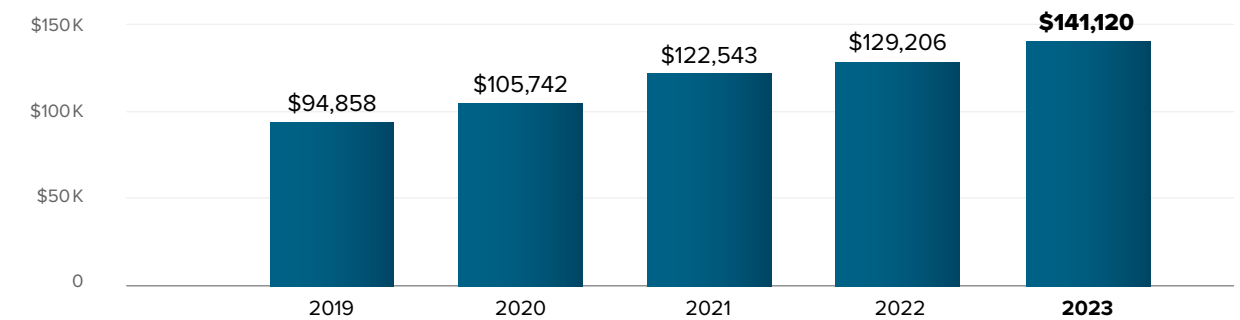
The payout rate formula is: Grants in this year divided by Assets from the end of the prior year.



### AVERAGE DONOR-ADVISED FUND ACCOUNT SIZE MOVES HIGHER

The average size of an individual DAF account is estimated to be \$141,120 for 2023. This is a 9.2 percent increase compared with the revised estimate for 2022 of \$129,206.

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





## Comparison to Charitable Sponsor Types

**THERE ARE AN ESTIMATED 2 MILLION** registered public charities in the United States under Section 501(c)(3) of the IRC.<sup>9</sup> This report highlights the data of 1,140 DAF charitable sponsors. In this report, data from three types of DAF charitable sponsors are reported: National Charities, Community Foundations and Single-Issue Charities.

<sup>9</sup> Internal Revenue Service. 2023. IRS Data Book. Table 14: Tax-Exempt Organizations, Nonexempt Charitable Trusts, Nonexempt Split-Interest Trusts, Fiscal Year 2023, Obtained October 9, 2024 from <https://www.irs.gov/statistics/soi-tax-stats-tax-exempt-organizations-and-nonexempt-charitable-trusts-irs-data-book-table-14>.



Never doubt that a small group of thoughtful committed citizens can change the world: indeed, it's the only thing that ever has.

MARGARET MEAD





## National Charities

This report analyzes DAF data from 73 National Charities. These charitable sponsors had a combined estimated 1,585,382 DAF accounts that granted \$35.12 billion in 2023.

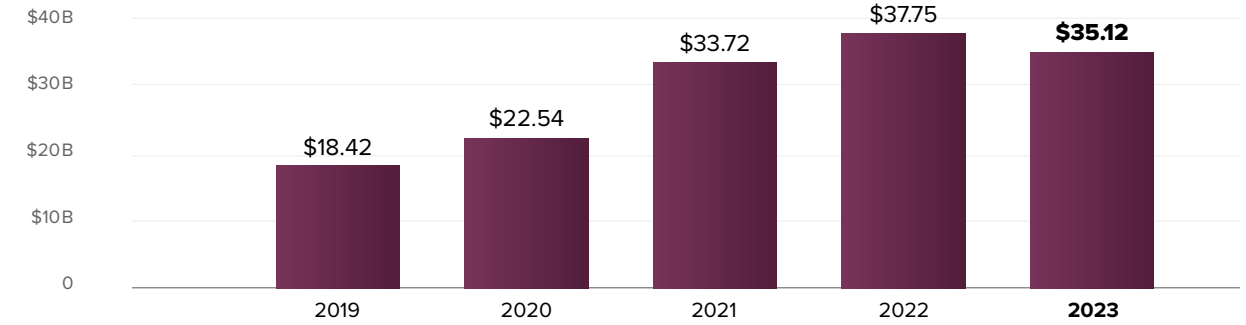
**73** National Charities | **1,585,382** DAF Accounts | **\$35.12 Billion** Grants



## GRANTS

The total value of grants from DAFs at National Charities to other qualified charities totaled \$35.12 billion in 2023, a decrease of seven percent from 2022. The compound annual growth rate from 2019 to 2023 is 17.5 percent. In 2023, National Charities distributed 64.1 percent of all grant dollars from DAFs.

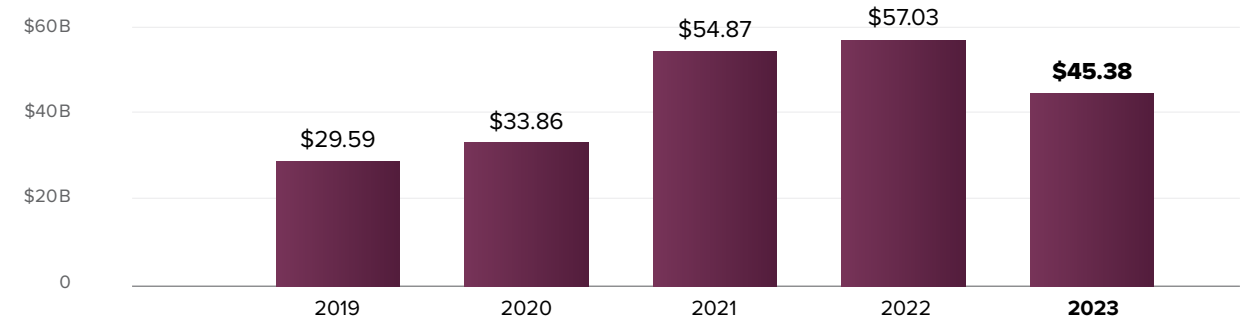
**Figure 7: Value of Grants from DAFs at National Charities (\$ in Billions)**



## CONTRIBUTIONS

Total contributions to DAFs at National Charities were \$45.38 billion in 2023. This represents a 20.4 percent decrease from the prior year. This year's rate of growth is lower than the compound annual growth rate of 11.3 percent from 2019 to 2023.

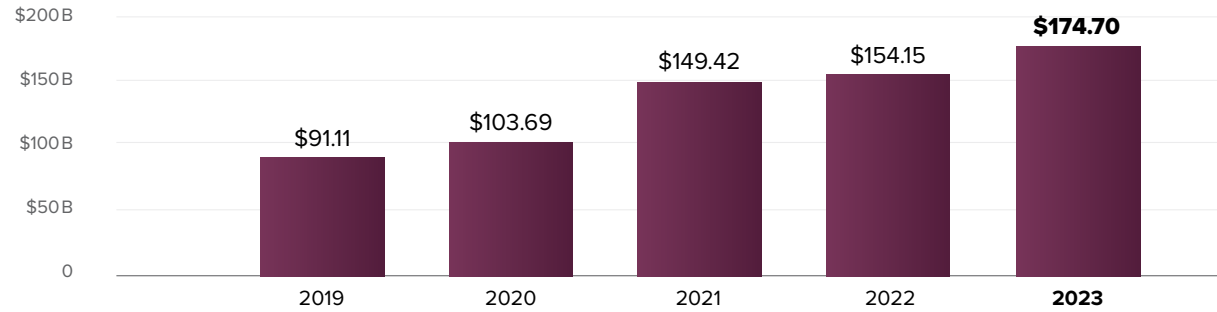
**Figure 8: Value of Contributions to DAFs at National Charities (\$ in Billions)**



### CHARITABLE ASSETS

Total charitable assets in DAFs at National Charities reached \$174.70 billion in 2023, a 13.3 percent increase from a revised 2022 estimate of \$154.15 billion. The compound annual growth rate for charitable assets at National Charities from 2019 through 2023 is 17.7 percent.

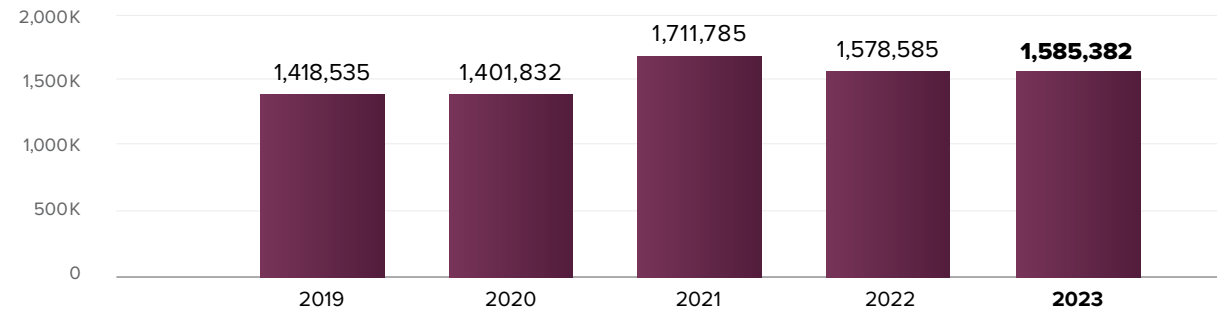
**Figure 9: Charitable Assets in DAFs at National Charities (\$ in Billions)**



### NUMBER OF DONOR-ADVISED FUNDS

The number of individual DAF accounts at National Charities grew to an estimated 1,585,382 in 2023 from a revised 1,578,585 in 2022, an increase of 0.4 percent. The compound annual growth rate of the number of DAF accounts at National Charities is 2.8 percent from 2019 to 2023.

**Figure 10: Number of DAF Accounts at National Charities**

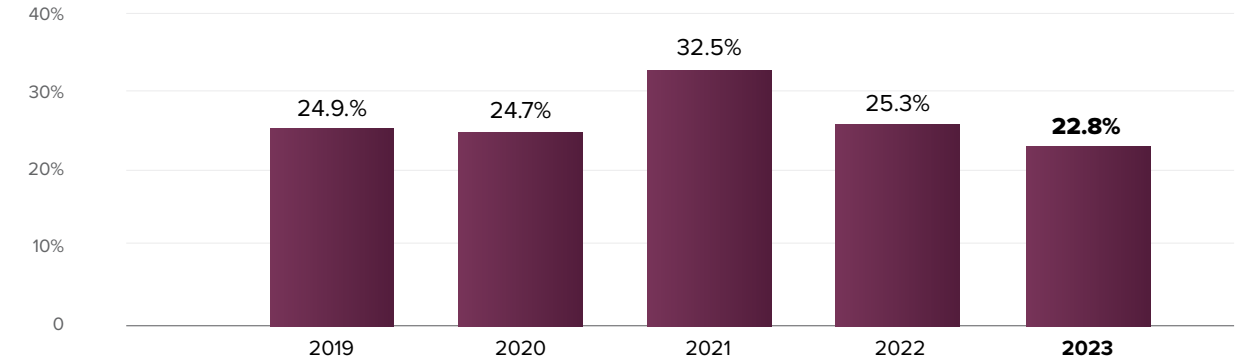


### GRANT PAYOUT

The total payout rate from DAFs at National Charities was 22.8 percent in 2023.

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

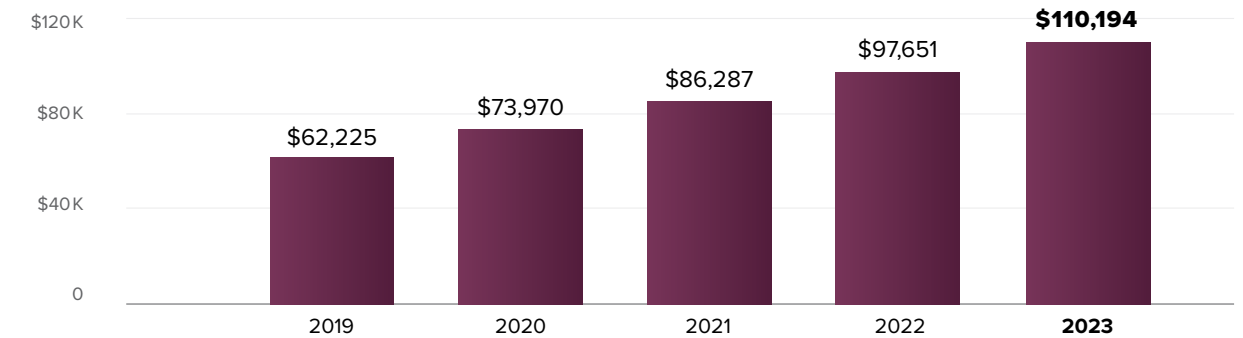
The payout rate formula is: Grants in this year divided by Assets from the end of the prior year.



### AVERAGE DAF ACCOUNT SIZE

The average DAF account size at National Charities in 2023 is estimated at \$110,194. This represents a 9.2 percent increase compared with the revised 2022 average of \$97,651. The average account size increased at a compound annual rate of 14.4 percent from 2019 to 2023.

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





# Community Foundations

This report analyzes DAF data from 723 Community Foundations. These charitable sponsors had a combined estimated 103,974 DAF accounts that granted \$12.46 billion in 2023.

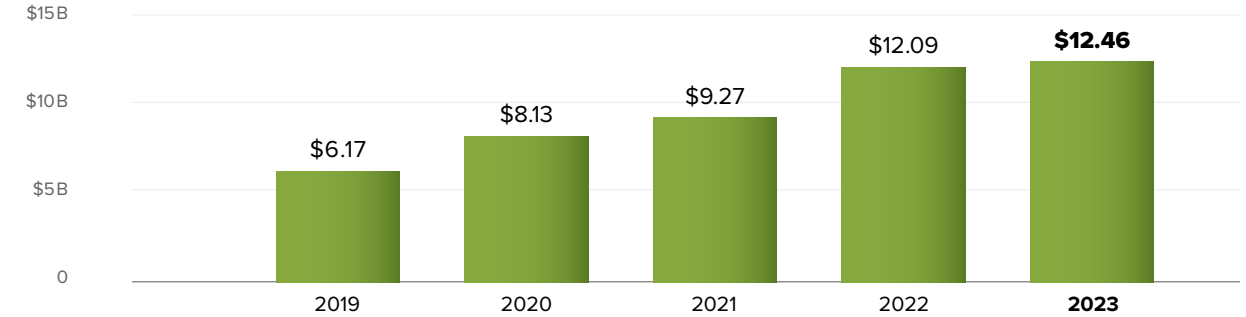
**723** Community Foundations | **103,974** DAF Accounts | **\$12.46 Billion** Grants



## GRANTS

Grants from DAFs at Community Foundations totaled an estimated \$12.46 billion in 2023, up 3.1 percent from the 2022 revised total of \$12.09 billion. Community Foundations made 22.7 percent of total DAF grants dollars in 2023. The compound annual growth rate from 2019 to 2023 is 19.2 percent.

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



## CONTRIBUTIONS

Total contributions to DAFs at Community Foundations were \$7.87 billion in 2023, a 32.4 percent decrease from a revised total of \$11.64 billion from the prior year. The compound annual growth rate in contributions to donor-advised funds at Community Foundations from 2019 to 2023 is 3.5 percent.

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





### CHARITABLE ASSETS

Charitable assets in DAFs at Community Foundations totaled \$54.92 billion in 2023, a 2.3 percent increase from \$53.71 billion in 2022. The compound annual growth rate for 2019 through 2023 is 6.6 percent.

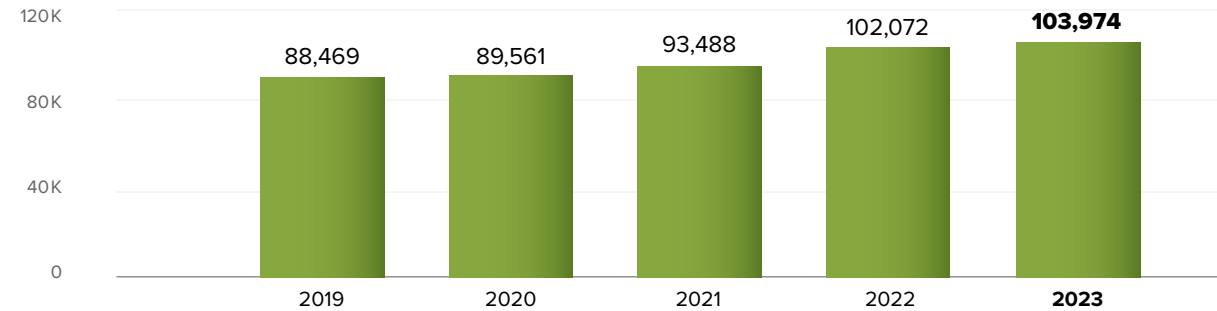
**Figure 15: Charitable Assets in DAFs at Community Foundations (\$ in Billions)**



### NUMBER OF DAF ACCOUNTS

The number of individual DAF accounts at Community Foundations was an estimated 103,974 in 2023, a 1.9 percent increase from the revised total of 102,072 in 2022. The compound annual growth rate from 2019 through 2023 was 4.1 percent.

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

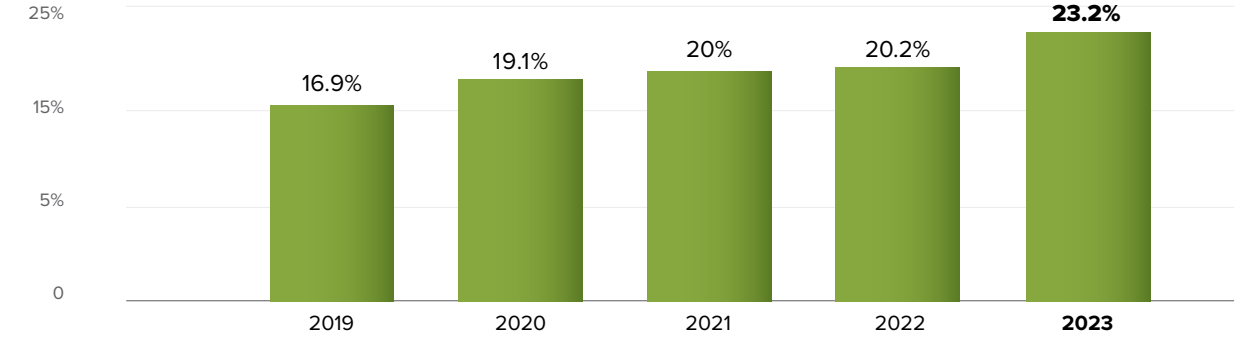


### GRANT PAYOUT

The total payout from DAFs at Community Foundations was an estimated 23.2 percent in 2023, an increase from 20.2 percent in 2022.

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

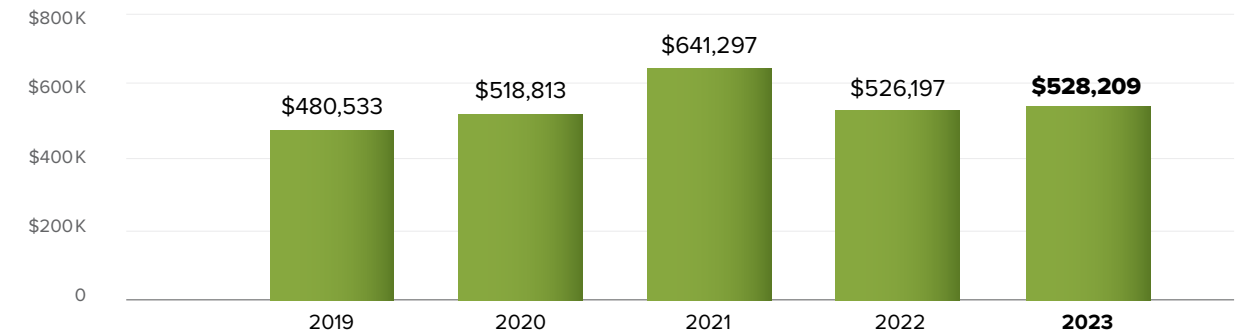
*The payout rate formula is: Grants in this year divided by Assets from the end of the prior year.*



### AVERAGE DAF ACCOUNT SIZE

The average DAF account size at Community Foundations was \$528,209 in 2023. This represents a 0.4 percent increase from the 2022 average of \$526,197. The compound annual growth rate for average account size from 2019 to 2023 is 2.4 percent.

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





## Single-Issue Charities

This report analyzes DAF data from 344 Single-Issue Charities. These charitable sponsors had a combined estimated 92,925 DAF accounts that granted \$7.19 billion in 2023.

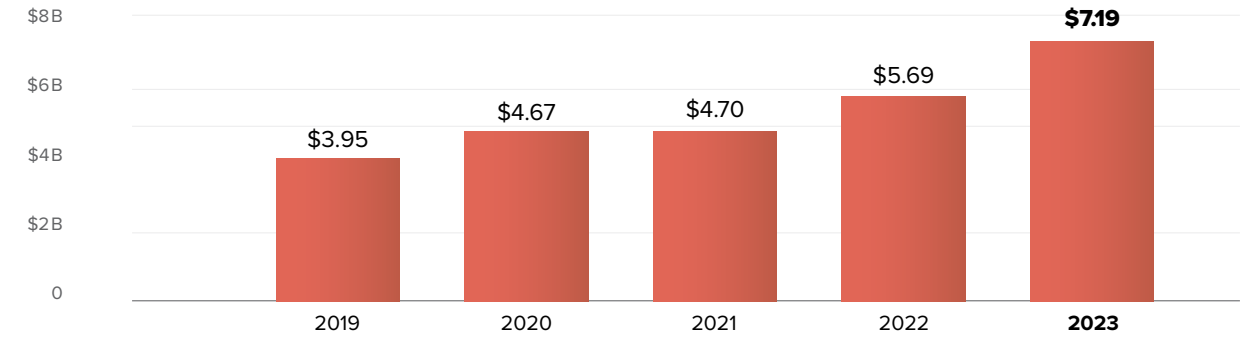
**344** Single-Issue Charities | **92,925** DAF Accounts | **\$7.19 Billion** Grants



## GRANTS

Grants from DAFs at Single-Issue Charities totaled \$7.19 billion in 2023, a 26.3 percent increase from a revised total of \$5.69 billion in 2022. The compound annual growth rate from 2019 to 2023 was 16.4 percent.

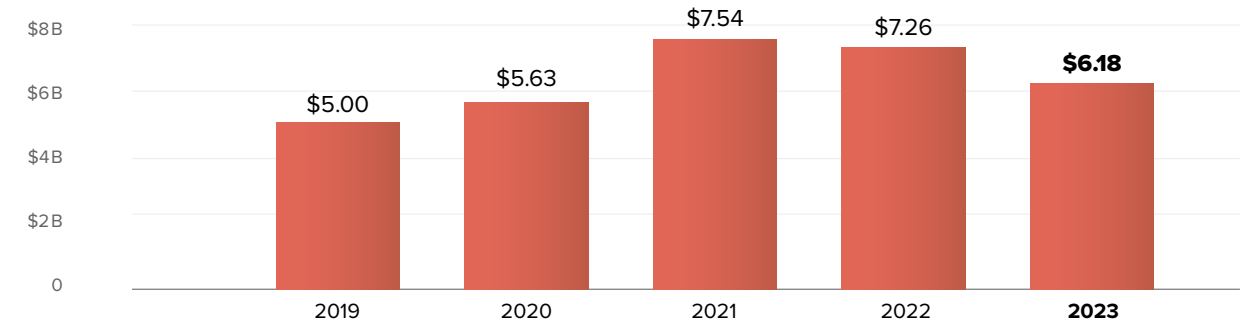
**Figure 19: Value of Grants from DAFs at Single-Issue Charities (\$ in Billions)**



## CONTRIBUTIONS

Contributions to DAFs at Single-Issue Charities totaled \$6.18 billion in 2023, a 14.9 percent decrease from the revised total of \$7.26 billion for 2022. The compound annual growth rate from 2019 to 2023 was 5.4 percent.

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

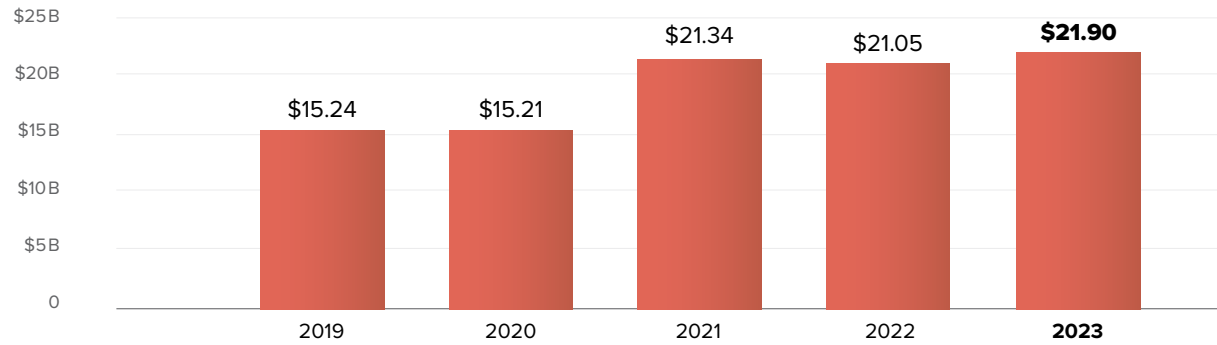




### CHARITABLE ASSETS

Charitable assets in DAFs at Single-Issue Charities totaled an estimated \$21.90 billion in 2023. This is an increase of 4.0 percent from a revised amount of \$21.05 billion in 2022. The compound annual growth rate from 2019 to 2023 was 9.5 percent.

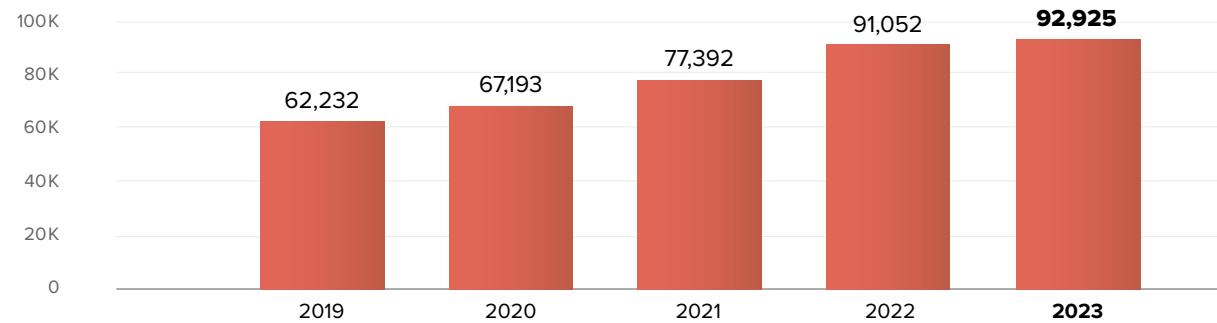
**Figure 21: Charitable Assets in DAFs at Single-Issue Charities (\$ in Billions)**



### NUMBER OF DAF ACCOUNTS

There were 92,925 individual DAF accounts at Single-Issue Charities in 2023. This number is a 2.1 percent increase compared with 2022, when there were 91,052 individual DAF accounts. The compound annual growth rate from 2019 to 2023 was 10.5 percent.

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

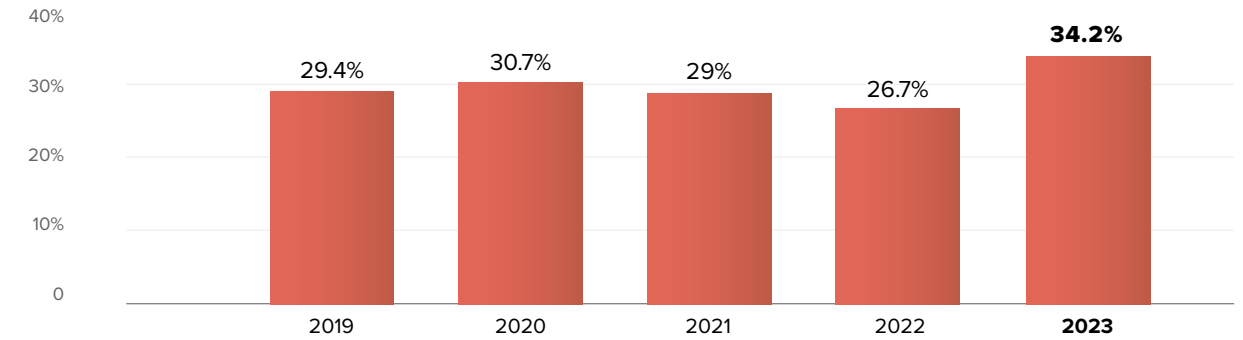


### GRANT PAYOUT

The total payout from DAFs at Single-Issue Charities was 34.2 percent in 2023, an increase from a 26.7 percent payout rate in 2022.

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

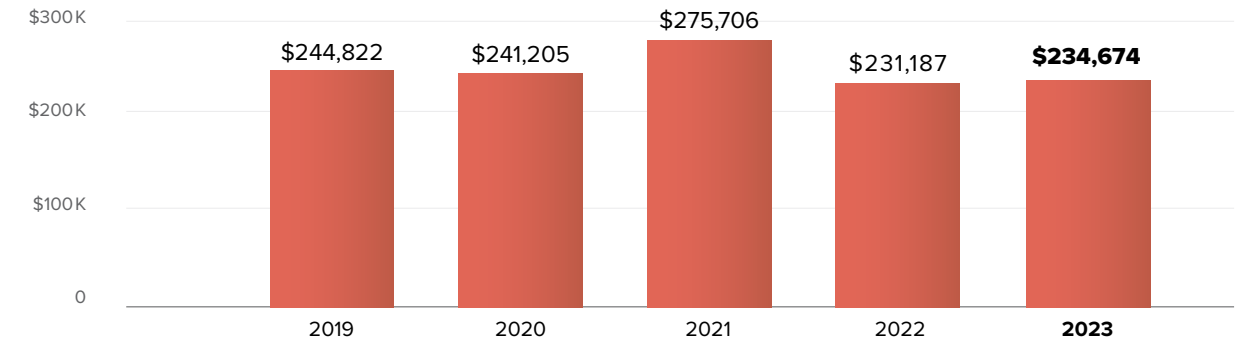
*The payout rate formula is: Grants in this year divided by Assets from the end of the prior year.*



### AVERAGE DAF ACCOUNT SIZE

The average DAF account size at Single-Issue Charities was \$234,674 in 2023. This represents an increase of 1.9 percent compared with the 2022 average of \$231,187. The compound annual growth rate from 2019 to 2023 was -0.9 percent.

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





# Methodology

**THE 2024 DONOR-ADVISED FUND REPORT** examines 1,140 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 2019 through 2023. 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 the American Online Giving 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, 2023 or December 31, 2023, the data will be recorded as 2023. 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 2024, 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 1,140 organizations that reported at least \$1 in assets from fiscal year 2019 through fiscal year 2023: 73 National Charities, 723 Community Foundations and 344 Single-Issue Charities. Data comes from the most recent IRS Forms 990. For some organizations whose fiscal year 2023 data was not yet publicly available, we received the data directly from the charity. Where 2023 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 2022 and 2023. That rate by sponsor type was then applied to the 2022 values from IRS Form 990s, again stratified by sponsor type, to estimate a value for 2023.

NPT maintains a time series of all key data points (charitable assets, grants, contributions and accounts) back to FY 2007. Some of the organizations in the file have closed or merged. There are 1,293 charities in the file. Note that as we update the list with sponsors, values for prior years (2019 to 2023) 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 over 100,000 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.

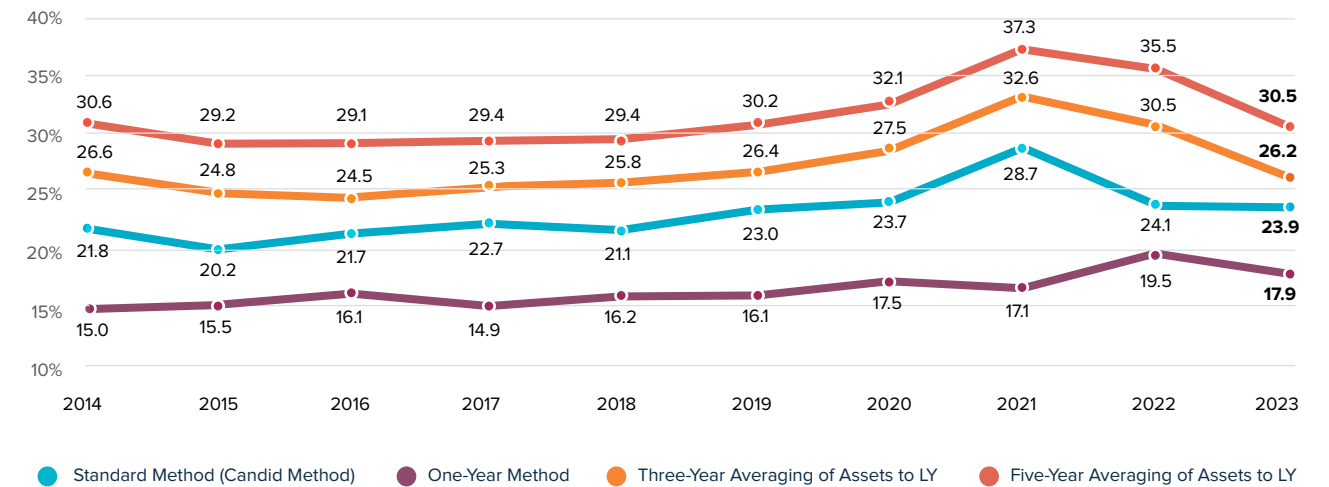
In 2014, this report began using a grant payout rate formula modeled on private foundations' payout calculation.<sup>10</sup> This formula allows us to compare the two most common types of philanthropic vehicles. That formula is:

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

<sup>10</sup> 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 2014-2023 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, 2014-2023)



**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.



## Acknowledgments

### ABOUT THE ANALYST

Colton C. Strawser, Ph.D., of [Colton Strawser Consulting](#), provided analysis and writing services for 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 Holly Welch Stubbing, President and CEO; Andrew W. Hastings, Chief Enterprise Officer; Mark Russell, SVP, Communications; and Erin Hoyes of Weldon Communications. Richard Virgilio of Virgilio Media provided consulting and promotional services.

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