



MULTIPLY 417

Passion: The Bridge between People and Purpose

Weekly Tip March 24, 2025

DAF's - Some updated stats

Dear Ministry Leader,

DAFs, or Donor Advised Funds, were created for donors wishing to maximize current tax laws, thereby reducing their annual tax liability (the amount they owe in taxes) while still expressing their desire and responsibility regarding Biblical generosity.

In its simplest form, the donor makes their full charitable donation for an entire year on a presumed annual basis (in some circumstances, and under certain economic scenarios, this amount might actually exceed what they typically donate in a year) to the fund. FYI, there are numerous fund organizations, both faith-based (like the National Christian Foundation) and secular (like Fidelity Charitable), that provide these kinds of funds. In some cases, larger faith-based or non-profit organizations have their own foundations and corresponding funds (such as Youth for Christ, FCA, and World Mission). However, in these instances, most of these funds are built around the notion that you are only distributing (that's the advising part of the DAF terminology) the funds to the hosting charity itself. Your advice is primarily limited to amounts and timing.

In more common scenarios throughout the year, per their "advising" of the fund, the fund makes a donation to the charity in the amount and on the prescribed date set by the donor.

Recently, Fidelity Charitable released their latest analytics regarding their advised funds, as well as a broader overview of DAFs across America. What follows are a few key statistics:

1. The biggest headline here is that Fidelity Charitable DAF account holders granted \$15 BILLION to nonprofits last year. I share this statistic upfront so you understand that the rest of the statistics that follow should be quite reliable, given the vast number of records they have to analyze.
2. Digging further into the details and year-over-year comparisons, here are some even more interesting items of note.
3. Advised gifts, or "grants" as the foundation would call them, grew by 26% in one year. That's pretty significant, especially considering Fidelity's size.
4. DAF accounts with Fidelity grew by 10%, adding 30,000 new DAF users. I appreciate the combination of both the percentage (10%) and the actual raw number (30,000).
5. 51% of accounts hold less than \$25,000. That's still a meaningful donor base we all want to engage, and it's an important reminder that DAFs are used across a wide spectrum of donors, not just by the ultra-wealthy.
6. Almost 70% of contributions are non-cash. This has two big benefits: it saves the donor money on taxes (contributing appreciated non-cash assets

means less capital gains tax), which increases their giving capacity, AND it prevents your organization from having to handle a non-cash donation.

7. 74% of contributions are paid out within five years. Fidelity seemed to be boasting about this number, and I'm not entirely sure it is a good metric. However, that would lead to a more intense philosophical conversation, which we won't address in this newsletter.

8. Money in a DAF can only leave the account as a donation to an eligible charity.

Need more ideas on empowering your partners? Want to talk about a much bigger development strategy picture? Give me a call (209) 541-5720 or [email me](#). I'm here to help.

Passionately,

Rev Rick J Fritzemeier

P.S.

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