

THE CARTER CENTER



The Carter Center Presents:

A Discussion on the Use of Donor Advised Funds in Wealth Planning and Philanthropy

With Guests: Donald J. Greene, National Philanthropic Client Relationship Executive, Bank of America, and Chuck Collins, Director for the Program on Inequality and the Common Good, Institute for Policy Studies

Hosted By: Barry Nickelsberg, CAP, Chief Development Officer for Estate & Gift Planning

&

Mark N. Williams, Esq., CAP, Senior Associate Director

Thank You

Our work together continues to improve the lives of millions of people, and we cannot thank you enough for your ongoing support.

THE
CARTER CENTER



Thank You for Your Trust

We would also like to express our gratitude for allowing us to serve as your resource; it is a privilege to be trusted to provide you with information about these important topics.



DISCLAIMER

The information contained in this presentation is for educational purposes only, and should not be considered legal or financial advice. Any information covered should be discussed with your own attorney and/or other advisors to determine its suitability for your specific situation. No legal or investment advice is provided herein, and no relationship (attorney/client or otherwise) is created by this educational webinar. By viewing this webinar, you agree to the above.



Chuck Collins

- Philanthropist, Author
- Director for the Program on Inequality and the Common Good at the Institute for Policy Studies
- Expert on U.S. inequality and the racial wealth divide
- Co-founder of Wealth for the Common Good, a network of business leaders, high income households and partners working together to promote shared prosperity and fair taxation



Donald J. Greene

- **National Philanthropic Client Relationship Executive and National Family Office Lead for Bank of America, Private Bank**
- **25 years of philanthropic, family office and nonprofit management experience**
- **Directed the start-up of several successful nonprofit and for profit enterprises focused on community development, healthcare and education**
- **Serves on several public charity boards**

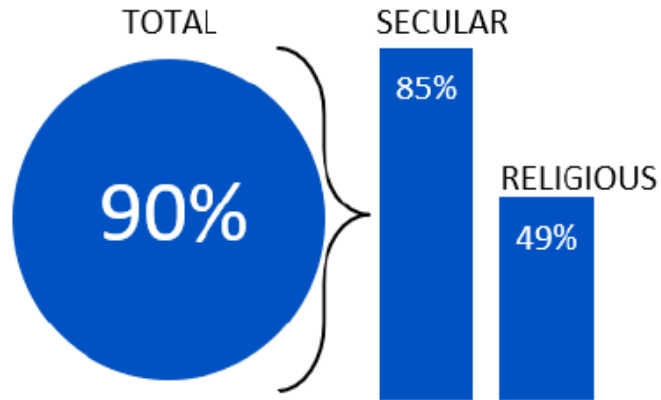


Questions for Discussion

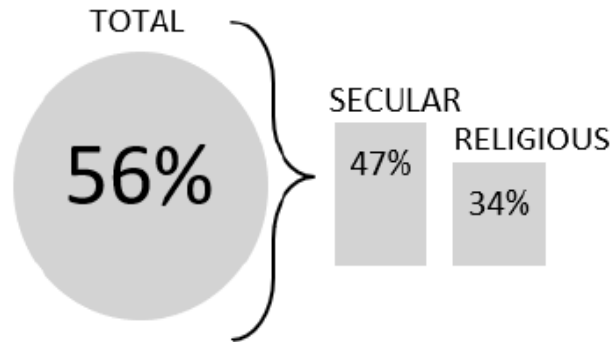
- What is a Donor Advised Fund? – What Impact are They Having?
- How Do Donor Advised Funds Work?



PERCENT OF HOUSEHOLDS GIVING TO CHARITY AMONG HIGH NET WORTH HOUSEHOLDS

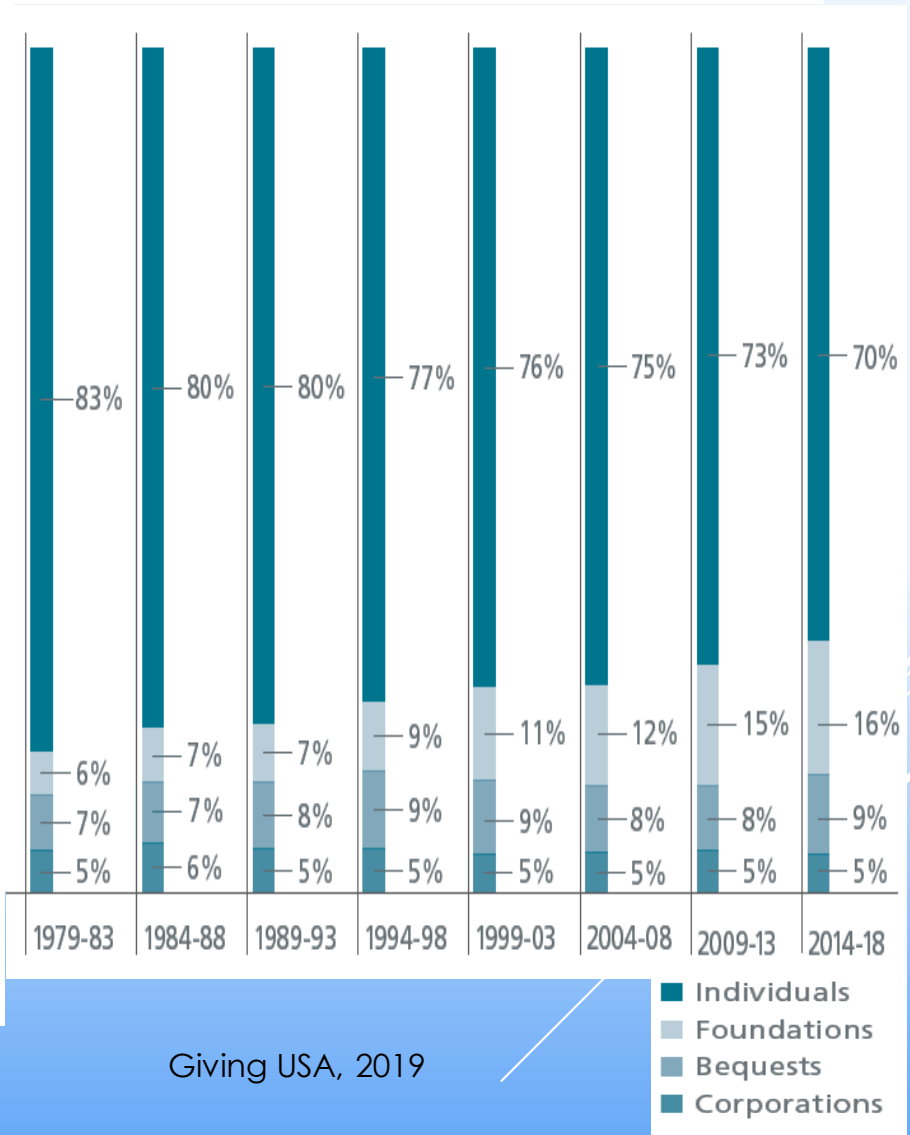


AMONG GENERAL U.S. HOUSEHOLDS*



*Source: Indiana University Lilly Family School of Philanthropy, 2015 Philanthropy Panel Study on giving in 2014, the latest year data is available on average giving by American households.

Giving by source: percentage of the total in five-year spans, 1979-2018 (in billions of inflation-adjusted dollars, 2018=\$100)



Giving USA, 2019



Questions for Discussion

- When did Donor Advised Funds Start and How Have They Evolved?
- What is Driving That Change?



National Charities

This report analyzes donor-advised fund data from 54 National Charities. These national charitable sponsors had a combined 593,356 donor-advised fund accounts with total charitable assets of \$72.35 billion in 2018.

The compound annual growth rate is included for each metric. This measurement calculates a constant rate of return over time (in this case four years) and mitigates volatility. This measurement has been included to provide additional context and a point of comparison for the historical growth at National Charities that offer donor-advised funds.

54 NATIONAL CHARITIES

593,356 NUMBER OF DAF ACCOUNTS

\$72.35 CHARITABLE ASSETS (*billions*)

Community Foundations

This report analyzes donor-advised fund data from 603 Community Foundations, which have 77,234 donor-advised fund accounts with charitable assets totaling \$33.87 billion.

The compound annual growth rate is included for each metric. This measurement calculates a constant rate of return over time (in this case four years) and mitigates volatility. This measurement has been included to provide additional context and a point of comparison for the historical growth of donor-advised funds at Community Foundations.

603 COMMUNITY FOUNDATIONS

77,234 NUMBER OF DAF ACCOUNTS

\$33.87 CHARITABLE ASSETS (*billions*)

Single-Issue Charities

This report analyzes data for 332 Single-Issue Charity sponsors. This type of charitable sponsor held 57,973 donor-advised fund accounts with charitable assets totaling \$15.19 billion.

The compound annual growth rate is included for each metric. This measurement calculates a constant rate of return over time (in this case four years) and mitigates volatility. This measurement has been included to provide additional context and a point of comparison for the historical growth of donor-advised funds at Single-Issue Charities.

332 SINGLE-ISSUE CHARITIES

57,973 NUMBER OF DAF ACCOUNTS

\$15.19 CHARITABLE ASSETS (*billions*)



Questions for Discussion

- What is Behind the More Recent Growth in Donor Advised Fund Use, and What Has This Meant for Donors?
- What Impact Have Donor Advised Funds Brought to Charities?



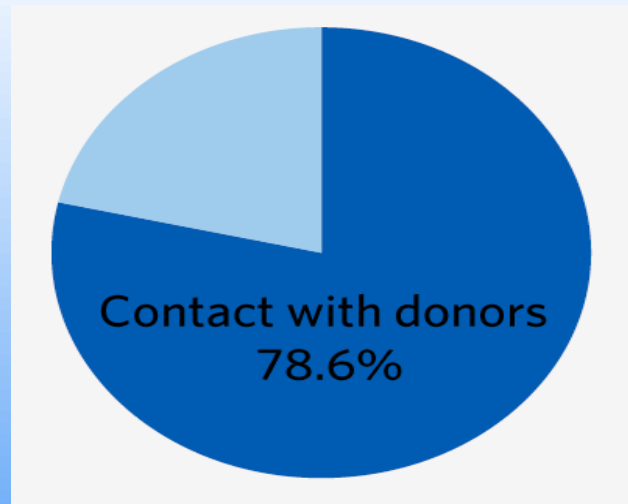
Key Findings

Donor Contact



87% of organizations that solicited DAF gifts received a DAF gift in the past 3 years

42% of organizations that did not solicit DAF gifts received a DAF gift in the past 3 years

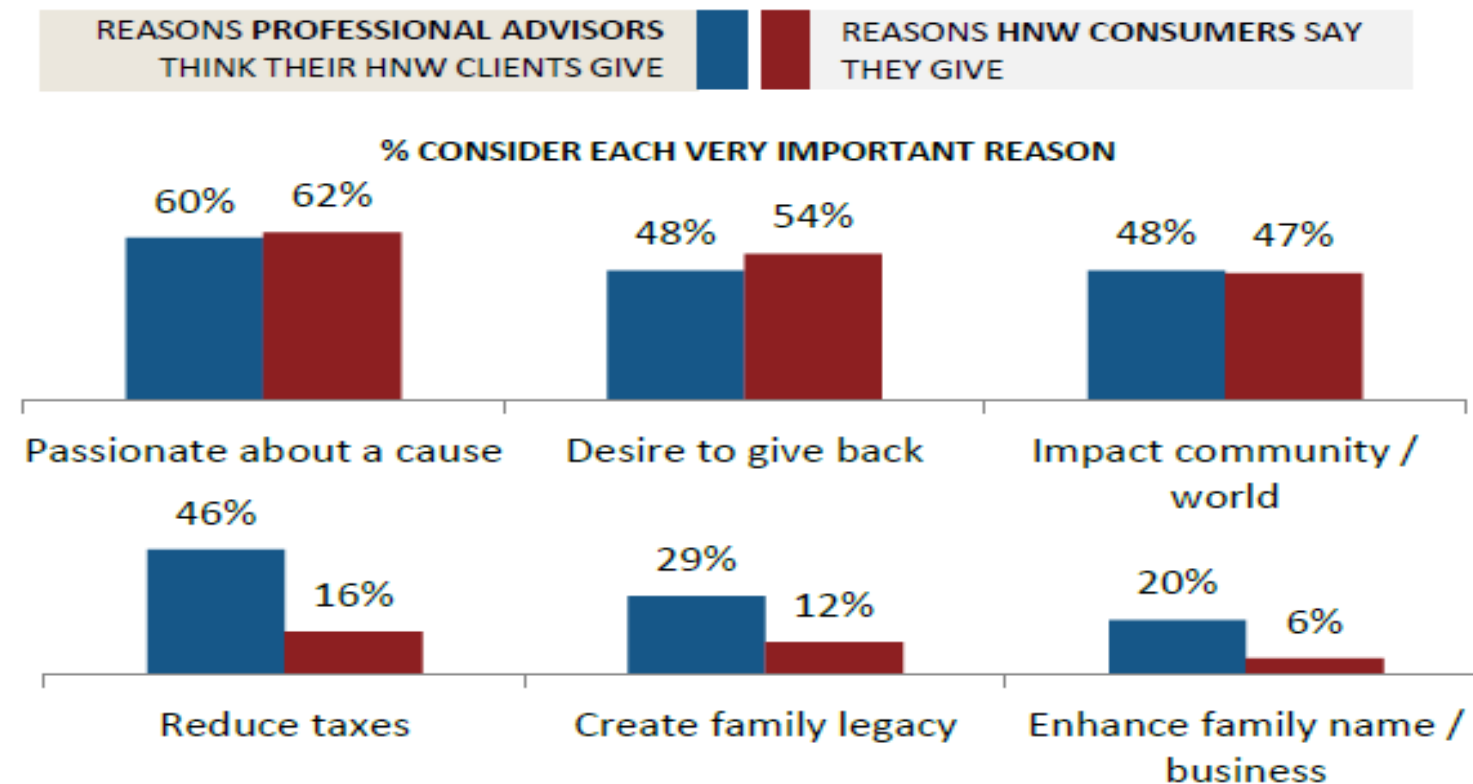


Questions for Discussion

- **Where does a Donor Advised Fund Fit Within the Wealth and Charitable Planning Arena? (From the Donor and the Advisor views?)**
- **Are Donor Advised Funds Similar to Private Foundations?**
- **How Are Donor Advised Funds Relied Upon By Donors?**



REASONS HNW CONSUMERS DECIDE TO GIVE



58%

HNW CONSUMERS WILL NOT CHANGE GIVING LEVELS BECAUSE OF THE 2017 TAX POLICY

35%

ADVISORS SAY THEIR CLIENTS WILL NOT CHANGE GIVING LEVELS BECAUSE OF 2017 TAX POLICY

29%

ARE UNSURE OF THEIR CLIENTS' PLANS



78%

ADVISORS BELIEVE THAT DISCUSSING CHARITABLE GIVING WITH CLIENTS IS GOOD FOR BUSINESS

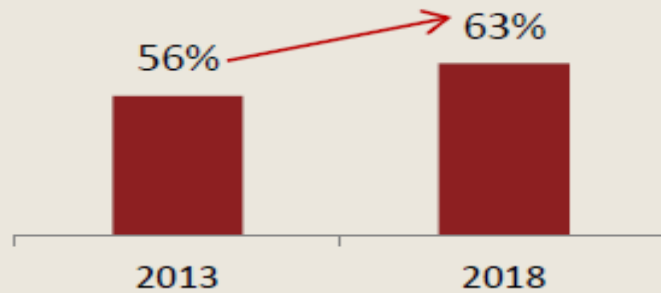
71%

ADVISORS CONSIDER DISCUSSING PHILANTHROPY AN "IMPORTANT" PART OF BUILDING RELATIONSHIPS WITH EXTENDED FAMILY

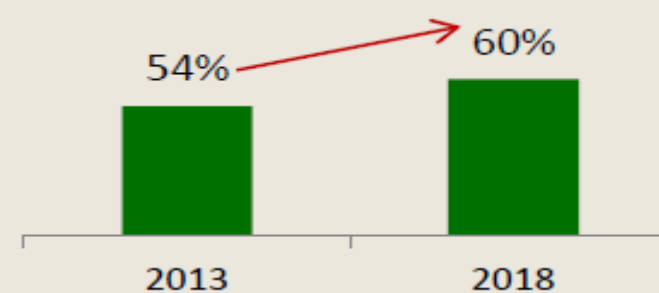
71%

HNW CONSUMERS AGREE THAT DISCUSSING PHILANTHROPY WITH THEIR ADVISOR IS IMPORTANT

PERCENT AGREE DISCUSSING PHILANTHROPY HAS HELPED BUILD RELATIONSHIPS WITH EXTENDED FAMILY
(Professional Advisors)



PERCENT AGREE DISCUSSING PHILANTHROPY A MEANS OF ESTABLISHING NEW CLIENTS
(Professional Advisors)



Questions for Discussion

- How Are Advisors Now Viewing or Relying on Donor Advised Funds?
- Are There Any Scenario's Where an Advisor Might Recommend Using a Donor Advised Fund?

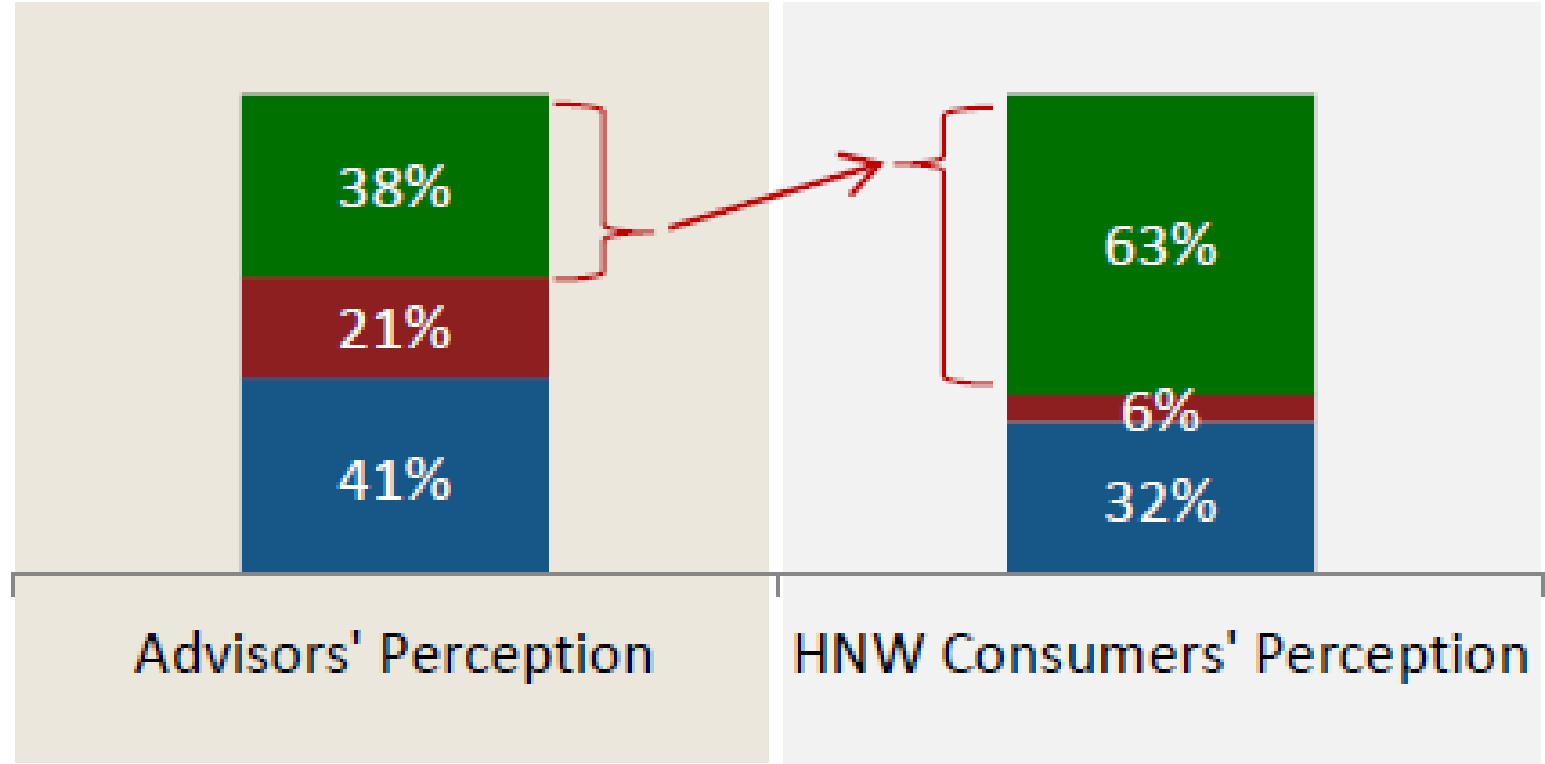


GAP IN PERCEPTIONS OF ONGOING PHILANTHROPIC CONVERSATIONS

MOSTLY FOCUSED ON
TECHNICAL TOPICS

EQUAL

MOSTLY FOCUSED ON
PERSONAL TOPICS



Questions for Discussion

- What is the Biggest Difference You Have Seen?
- Are There Any Final Thoughts on Donor Advised Funds That You Would Like to Share?



Q & A

THE
CARTER CENTER



THE
CARTER CENTER



BARRY NICKELSBURG, CAP
Chief Development Officer

ESTATE & GIFT PLANNING

453 Freedom Parkway
Atlanta, GA 30307 USA
Tel (404) 420-3868
Fax (404) 420-3453
barry.nickelsberg@cartercenter.org
www.cartercenter.org

THE
CARTER CENTER



MARK WILLIAMS, ESQ., CAP
Associate Director

ESTATE & GIFT PLANNING

453 Freedom Parkway
Atlanta, GA 30307 USA
Tel (404) 420-3883
Fax (404) 420-3453
mark.williams@cartercenter.org
www.cartercenter.org

THE
CARTER CENTER

