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
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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?
The 2018 U.S. Trust® Study of High Net Worth Philanthropy - Portraits of Generosity

PERCENT OF HOUSEHOLDS GIVING TO CHARITY AMONG HIGH NET WORTH HOUSEHOLDS

TOTAL 90%

SECULAR 85%

RELIGIOUS 49%

AMONG GENERAL U.S. HOUSEHOLDS*

TOTAL 56%

SECULAR 47%

RELIGIOUS 34%

*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?
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?
The U.S. Trust Study of the Philanthropic Conversation
Conducted in partnership with The Philanthropic Initiative, 2018
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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)

56% → 63%

2013 → 2018

54% → 60%

2013 → 2018
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

Advisors' Perception

38%
21%
41%

HNW Consumers' Perception

63%
6%
32%

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Conducted in partnership with The Philanthropic Initiative, 2018
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