



The National Study on Donor Advised Funds

2024

DAF  RESEARCH 
COLLABORATIVE 

Executive Summary

The Donor Advised Fund Research Collaborative (DAFRC) is a consortium of academic and nonprofit researchers. Working across institutions, the collaborative is leading a 30-month, comprehensive research initiative to provide empirical data and insights on the characteristics and activities of donor advised funds (DAFs) in the United States. One of the initiative's main goals is to gather and analyze account-level DAF information that is not available from publicly accessible data sources, such as the IRS Form 990. The account-level data allows for a more nuanced and accurate understanding of DAFs, as well as comparisons across different types and sizes of DAFs and DAF sponsors.

The present report is the first of three major nationwide projects: (1) compiling a large, anonymized dataset from DAF providers, (2) fielding a management survey to gather policies and procedures from DAF sponsors, and (3) fielding a donor survey to gain insights into how individuals and families think about and use DAFs as part of their household giving.

The 2024 National Study on Donor Advised Funds includes information about DAFs from 2014 to 2022, covering aspects such as account size, age, type, succession plan, donor demographics, contributions, grants, payout rates, and grantmaking speed. The report represents the most extensive independent study on DAFs to date. Thanks to the collective efforts of 111 DAF programs that voluntarily provided anonymized data to the research team, the dataset covers nine years of activity from more than 50,000 accounts, with over 600,000 inbound contributions to DAFs and more than 2.25 million outbound grants from DAFs.

The study reveals that DAFs are varied and flexible philanthropic vehicles that support a wide range of giving patterns and preferences:

- Half of all DAFs (49%) had total assets of less than \$50,000 at the end of 2021, and only 7% had balances of \$1 million or more.
- Most DAF accounts (97%) were advised by individuals or families.
- Almost all DAFs (92%) had a succession plan.
- Since DAF contributions and grants can fluctuate from year to year, this study presents a three-year average to provide a more accurate depiction of each DAF account's activity.
 - Across the most recent three year period ending in 2022, 78% of all DAFs made at least one grant.
 - The median payout for all accounts was 9%; the median for all accounts that made grants (that is, removing inactive accounts) was 15%.
 - The mean (average) payout rate for all DAF accounts was 18%.

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- Contributions to DAFs are concentrated in the fourth quarter of the year. Grantmaking from DAFs is much more balanced throughout the year, where the fourth quarter only accounts for 32% of annual grantmaking.
 - Less than 4% of grants were made anonymously. Most grants (59%) were general operating grants as opposed to restricted grants (41%), although restricted grants tended to be of higher dollar value.
 - Just over half of all DAFs (54%) granted out at least half of their original contribution within three years. After eight years, about three-fifths of all DAFs (58%) had granted out 100% of the original contribution.
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The National Study on DAFs provides new insights into the three most common types of DAF sponsors: Nationals, Community Foundations, and Religiously-Affiliated Organizations. The study also adds nuance to the sector's understanding of payout rates and shelf life. Together, the data and findings presented in this report help to answer many of the field's most critical questions about DAFs — while highlighting the importance of obtaining and utilizing good data to inform the practice of philanthropy through DAFs and the public discourse around DAFs.

Overall, the 2024 study reiterates the DAFRC research team's previous findings while expanding our understanding of DAFs and their many variations. The DAFRC research team hopes this data will be used to improve best practices, inform relevant regulation, or enhance the field's use of DAFs as a philanthropic tool for donors, DAF sponsoring organizations, and other sector partners.

The work is based on research funded by the Bill & Melinda Gates Foundation. It would not be possible without the DAFRC collaborators: our data and analytics partners at GivingTuesday and the 111 community foundations, national programs, and religiously-affiliated organizations nationwide who participated in the voluntary study.

Key Findings

Account and Donor Characteristics

Nearly half of all DAFs (49%) had total assets at the end of 2021 of less than \$50,000. Only 7% of DAFs had balances of \$1 million or more — and only 1% had a balance over \$10 million.

DAFs are a relatively young philanthropic vehicle, with increased use in recent years. **The vast majority of DAFs in this study (81%) were opened after 2010,** and over one in four DAFs in the dataset were opened after 2020.

Most DAF accounts (97%) were advised by individuals or families. Institutional DAFs — those advised by corporations or other organizations — only compose about 3% of all DAFs.

Members of the Baby Boomer generation represented nearly half (49%) of all advisors. Accordingly, the most frequent ages for donor advisors were between 55 and 80 years old.

About 9% of DAFs were Endowed, meaning they have spending policies that restrict their annual grantmaking to ensure long-term use.

Almost all DAFs (92%) have a succession plan in place that establishes control of the funds after the original donors are no longer living. Approximately 30% of DAFs designate the sponsor or another nonprofit organization to receive remaining funds.

Contributions

Approximately 61% of all DAFs had multiple contributions into the DAF during the study period. Specifically,

- One in four DAFs had contributions in some years (less than half of the years observed).
- One in four had contributions in most years (more than half of the years).
- One in nine had contributions every year.

Contribution amounts show that DAFs are a mid-range philanthropic vehicle, accommodating contributions larger than typical household donations yet smaller than those establishing private foundations.

- 38% of contributions fell within the \$10,000 to \$49,999 range.
- 15% of contributions were in the \$50,000 to \$99,999 range.
- 19% of contributions were within the \$100,000 to \$499,999 range.

Grants

In the most recent three-year period, 78% of accounts made at least one grant. In an average year, nearly two-thirds of accounts (63%) made an outbound grant while over one-third (37%) did not.

DAFs facilitate grants at both modest (comparable to annual fund gifts) and substantial (similar to major gifts) amounts that are directed to charitable nonprofits. **Around 36% of active DAFs disbursed yearly grants ranging from \$10,000 to \$50,000**, the most common grant range.

Less than 4% of grant transactions were made anonymously, indicating that the vast majority of grant transactions are distributed with fund and/or donor information.

General operating grants comprised 59% of grants, while restricted grants accounted for 41%, although restricted grants tended to be of higher value.

Grantmaking from DAFs is spread relatively evenly throughout the year — only 32% of grant funding occurs in the fourth quarter. In contrast, the fourth quarter of the year accounts for 57% of all funds contributed into DAFs.

- Grants over \$50,000 (considered a major gift by many organizations) are distributed more evenly throughout the year than grants under \$50,000, which were more common at year-end.

Payout Rate and Grantmaking Speed

DAFs support a wide variety of payout rates. Since DAF contributions and grants can fluctuate from year to year, this study presents a three-year average to provide a more accurate depiction of each DAF account's activity.

- The median payout for all accounts was 9%.
 - The median for all accounts that made grants (that is, removing inactive accounts) was 15%.
 - The mean (average) payout rate for all DAF accounts was 18%.
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Just over half of all DAFs (54%) granted out at least half of their original contribution within three years. After eight years, about three-fifths of all DAFs (58%) had granted out 100% of the original contribution.

Approximately 22% of DAFs were inactive, or had a zero payout rate, for the three most recent years included in the study (2020-2022). **When looking more closely at inactive DAFs, those DAFs are both smaller and newer DAFs. Almost half (45%) of inactive DAFs were opened in 2020 or later.**

About the DAFRC and Principal Investigators

The DAF Research Collaborative (DAFRC) conducts empirical research that enhances public understanding of donor advised funds. Founded by Dan Heist and Danielle Vance-McMullen in 2019, the DAFRC expanded to include Brittany Kienker and Jeff Williams for its 2023-24 research project as co-principal investigators. The DAFRC partners with GivingTuesday as its data storage and analytics partner as part of their Data Commons program.



Dr. H. Daniel Heist

Dr. H. Daniel Heist is an Assistant Professor of Nonprofit Management and Social Impact at the George W. Romney Institute for Public Service and Ethics at Brigham Young University. He researches philanthropy, charitable giving, and volunteering. His 9 years of professional fundraising experience inform his research. Dr. Heist is a leading expert on donor advised fund research and is a co-founder of the Donor Advised Fund Research Collaborative.



Dr. Danielle Vance-McMullen

Dr. Danielle Vance-McMullen is an Assistant Professor of Public Policy and Nonprofit Management at DePaul University. She uses big data and behavioral experiments to research donor behavior and nonprofit competition in new charitable giving contexts. She is active in DAF research and is a co-founder of the Donor Advised Fund Research Collaborative.



Dr. Brittany Kienker

Dr. Brittany Kienker is Principal and Owner of Kienker Consulting LLC and Knowledge Insights Expert in Residence at the Council of Michigan Foundations (CMF). Dr. Kienker is a sought-after expert and advisor to foundations, philanthropy-serving organizations, consultants, and researchers nationally. She regularly develops cutting-edge educational resources and presentations designed for grantmakers, in addition to generating the annual Midwest Grantmaker Salary Survey Report.



Jeff Williams, M.A., M.B.A.

Jeff Williams, M.A., M.B.A., is the Director of the Dorothy A. Johnson Center for Philanthropy's Community Data and Research Lab at Grand Valley State University. With expertise in operations, strategy, data analytics, and public policy, Jeff is passionate about connecting data to people to action. He oversees the lab's annual research agenda, as well as relationships with partner organizations and communities.