

2024 DAF Fundraising Report

The Inaugural Benchmark Study on Nonprofit
Fundraising from Donor Advised Funds



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Report Summary

About This Report

This is the first-ever large-scale research conducted on the nonprofit experience with Donor Advised Funds (DAFs). To provide the most meaningful insights, we sought to represent a diverse array of nonprofit organizations across size and sector, as well as DAF and non-DAF giving. Having such an impressive roster of participants and data in the inaugural edition of this study allowed us to establish a repeatable method of analysis to easily build upon in the years to come.

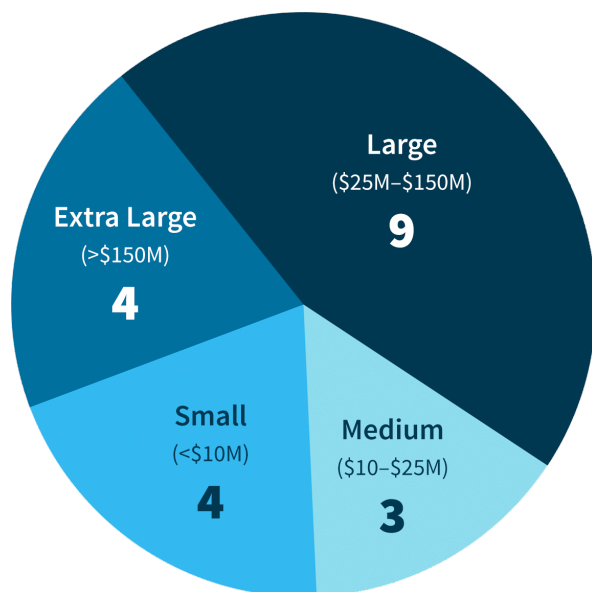
Scale of Analysis

Exhibit 1

| | 2019–2023 | 2023 |
|----------------------------|------------------|-----------------|
| Total Giving | \$10,768,644,295 | \$2,245,067,205 |
| Total Number of Gifts | 78,702,688 | 15,338,460 |
| Total Number of Donors | 21,292,492 | 13,957,085 |
| Total DAF Revenue | \$809,092,333 | \$192,513,010 |
| Total Number of DAF Gifts | 229,584 | 54,246 |
| Total Number of DAF Donors | 61,700 | 34,498 |

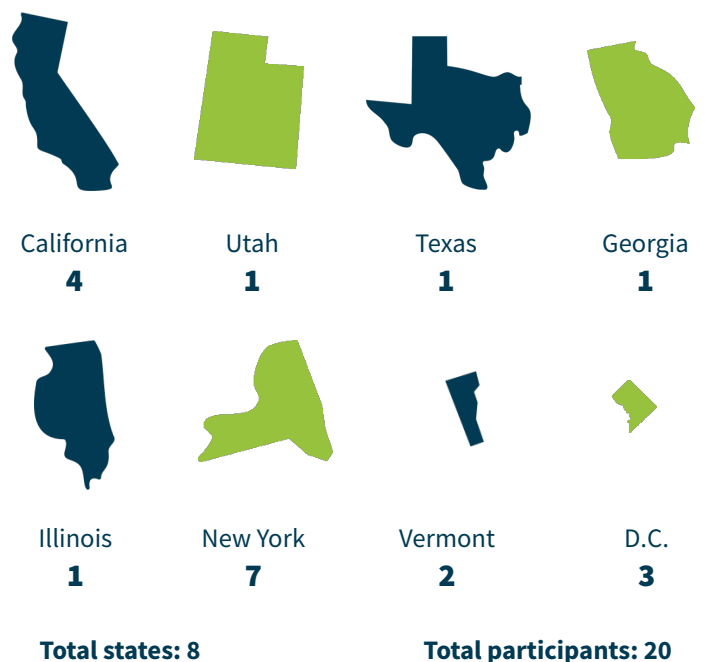
Categories of Participants

Exhibit 2



Participant Locations

Exhibit 3



Nonprofit sectors represented include:



Health



Animal welfare



Environmental
conservation



Human services



Social justice



International relief

Full list of participants:

1. [American Civil Liberties Union Foundation](#)
2. [American Cancer Society](#)
3. [Alzheimer's Association](#)
4. [Best Friends Animal Society](#)
5. [Central Park Conservancy](#)
6. [Center for Reproductive Rights](#)
7. [Defenders of Wildlife](#)
8. [Food & Friends](#)
9. [Hirshberg Foundation for Pancreatic Cancer Research](#)
10. [The Humane Society of the United States](#)
11. [International Rescue Committee](#)
12. [The Lustgarten Foundation](#)
13. [March of Dimes](#)
14. [People for the Ethical Treatment of Animals](#)
15. [Susan G. Komen](#)
16. [Seeds of Peace](#)
17. [Save the Redwoods League](#)
18. [Sempervirens Fund](#)
19. [Trust for Public Land](#)
20. [Youth INC](#)

Overview

A Donor Advised Fund (DAF) is a tax-advantaged charitable savings account. Individuals or families can open a DAF account, make tax-deductible contributions of cash or assets, and then recommend grants out to eligible nonprofits over time. While the money is in the account, it can be invested in public markets and grow tax-free. Money cannot be withdrawn from a DAF once contributed—it can only leave the account as a donation. For many, DAFs are to charitable giving what 401(k)s are to retirement funds or what Health Savings Accounts (HSAs) are to healthcare expenses.

DAF accounts can be opened with major financial institutions (e.g., Fidelity, Schwab, Vanguard), community foundations, newer and independent tech-forward providers (e.g., Daffy, Charityvest) and large nonprofits & universities that manage their own DAF programs. Assets contributed to a DAF are legally owned and controlled by the DAF provider, who must first approve every “recommended” grant (though almost all 501(c)3 organizations are eligible to receive DAF grants).

DAF granting is restricted to prevent any personal benefit in exchange for a DAF gift, and thus funds cannot be used for purchase of event tickets or auction items.

While DAFs are not new—the first DAFs were established in the 1930s—they have exploded in popularity in recent years for five core reasons outlined below.

DAF Market Data

Exhibit 4

| | 2012 | 2022 | 10yr Change |
|----------------------|-----------|-----------|-------------|
| Assets (B) | \$44.9 | \$228.9 | 5x |
| Grants (B) | \$8.6 | \$52.2 | 6x |
| Number of Accounts | 205,552 | 1,948,545 | 9x |
| Average Account Size | \$218,054 | \$117,466 | 0.5x |

Source: National Philanthropic Trust

Five Key Drivers of Increased DAF Popularity

1. Increased accessibility

- a. More providers are offering DAFs—today, there are over 1,000 DAF providers in the US.
- b. There are lower barriers to entry, such as low- or no-minimum account balances, smaller minimum donation sizes, etc. You can review a full list [here](#).
- c. Technology platforms powering DAFs have improved. Today, online portals are the norm, and providers like Daffy even have a mobile app.

2. Improvements to personal philanthropy

- a. Individuals experiencing the personal benefits of DAFs have helped spread the word, as they see improvements in:
 - i. **Organization:** DAFs offer a centralized place for giving, which makes for more organized philanthropy (e.g. no hunting down tax receipts every year).
 - ii. **Accountability:** Committing money to philanthropy “upfront” keeps people more accountable to their giving goals.
 - iii. **Capacity:** The tax savings and investment returns of a DAF ultimately result in greatly expanded giving capacity, as detailed in this report (especially Section 3: Changes with DAF Adoption)

3. Tax code changes

- a. The 2017 tax code changes led to a sharp increase in the standard minimum deduction—in 2024, the standard deduction is [\\$14,600 for single filers and \\$29,200 for married joint filers](#). This has meant that most Americans no longer itemize deductions like charitable giving.

- b. However, DAFs allow people whose typical annual giving is less than the standard deduction to contribute a larger, one-time amount to their DAF, capture a significant tax benefit, and then give from their DAF over time.

4. Strong market performance

- a. One of the biggest drivers of DAF usage has been the strong public market performance. It's common for DAF holders to contribute to their account with appreciated securities, which creates even greater tax benefits by avoiding any associated capital gains tax.
- b. In 2023, for example, [Fidelity Charitable saw](#) that 54% of contributed dollars were in the form of publicly traded securities.
- c. The S&P 500 had a total return of [over 200% from 2012 - 2022](#), driving increased contributions and growth of existing DAF assets.

5. Core element of financial planning

- a. An increasing number of financial advisors and wealth management firms offer or support DAFs as a standard element of a client's portfolio.
- b. Some companies even offer DAFs as an employee benefit, alongside other financial products like a 401(k) for retirement savings or an HSA for healthcare expenses.
 - i. Morgan Stanley at Work released this as [a standard part of their offering in 2023](#), and new providers like [Groundswell](#) & [Daffy](#) offer this as well.

Origins of This Study

In 2021, [K2D Strategies](#) set out to better understand the donor experience when giving via a DAF. The [DAF Secret Shopper Study](#) was published in 2022, giving tremendous insight into how nonprofits were cultivating and stewarding DAF donors.

In 2022, [Chariot](#) created [DAFpay](#), improving the nonprofit and donor experience with DAFs by fully integrating a DAF payment option into any online donation form. With DAFpay, a donor initiates a DAF gift in 3 clicks and the nonprofit beneficiary captures all the gift details and donor information in real time.

In our work to increase DAF giving to nonprofits, we found a significant gap in the available research. While tremendous research has been done on the activity of DAFs (see “Comparable Research” for more details), there was no source of information on the nonprofit experience with DAF giving, backed by historical fundraising data.

As a result, we decided to collaborate on the first-ever DAF Fundraising Report, a cross-organizational view of the impact of DAF giving on nonprofits. We opened applications for nonprofit participation in January 2024 and were blown away by the interest from organizations across sectors and sizes. We were ultimately able to include 20 participants, many of whom are some of the most widely-recognized nonprofits in the country.

The scale of this analysis allowed us to generate the first empirical evidence to answer key questions about DAFs, such as:

1. Are nonprofits experiencing growth in DAF fundraising revenue commensurate with the growth in overall DAF usage that the funds themselves are reporting?
2. How does DAF donor behavior differ from non-DAF donor behavior?
3. Does donor behavior change once they start using a DAF?

Working through the analysis also revealed important insights into the need for standards and agreed-upon best practices for how nonprofits track DAF data. Through recommendations on database setup and data entry practices, this report should also help establish protocols for an increasingly critical segment of fundraising.

We are incredibly excited to share these findings and we are extremely grateful to the participating organizations who generously shared their data and data management business rules. We hope everyone enjoys the report!

Key Findings — Executive Summary

I. DAFs are incredibly valuable for nonprofits.

Example

If a donor had given an organization \$1,000 via credit card, but in 2022 gave with a DAF for the first time, their annual support increased to nearly \$2,000 per year after.

Why it matters

There's long been a concern that [DAFs lead to decreased support of operating nonprofits](#). This report's data shows that there is substantial benefit to a nonprofit when their current supporters start using a DAF

What you can do

Consider ways donors might be reminded of and educated on the benefits of DAF giving and the impact those gifts can have on the nonprofit missions they care about. This includes featuring DAFs as a giving option on donate forms, direct mail pieces, Ways to Give pages on websites, and via donor profiles in newsletters.

Once someone starts giving from their DAF, their annual giving increases by

96%

II. DAFs are the fastest-growing vehicle in philanthropy.

Example

The median four year (2019-2023) percentage increase in DAF fundraising revenue was +214%, vs. +1% for non-DAF revenue.

Why it matters

While overall individual giving revenue has been largely flat or declining in recent years, DAF giving provides a promising source of growth.

What you can do

Invest time in your DAF tracking to better understand performance relative to the industry (see Section 5 for more suggestions).

DAF Revenue is growing

214x

faster than non-DAF revenue in the sample group

III. DAF donors are bucking the trend of declining donor participation.

Example

If an active donor file had 10,000 non-DAF donors in 2019, it's likely 600 have been lost by 2023. But, if there were 500 DAF donors in 2019, there would be 895 in 2023 making 19x larger gifts than non-DAF donors, on average.

Why it matters

Overall participation in giving has been [declining for 20 years](#), but DAFs are proving to be a critical vehicle for donor engagement and growth.

What you can do

Ask all donors to consider DAF giving, including both mass market donors and leadership donors.

IV. DAF donors are “hiding” in donor files.

Example

For every 100 DAF donors, 26 were giving in another way before directing their first DAF gift.

Why it matters

Most organizations aren't actively soliciting DAF gifts. There are undoubtedly more donors with DAFs already supporting by other means.

What you can do

Consider how to better highlight DAF giving in fundraising communications and donation forms to ensure donors can easily use a DAF if they have one (see Section 5 for more actionable strategies).

V. DAF donors are loyal supporters.

Example

For every 100 non-DAF donors in 2021, just 45 are typically retained year over year. For every 100 DAF donors, 60 are retained.

Why it matters

Improving retention is the most effective way to combat declines in revenue and donors, and DAF donors make 19x larger gifts than non-DAF donors!

What you can do

Prioritize improvements to DAF donor data collection and stewardship to maximize retention among this high value donor segment, who tend to be more loyal supporters.

The number of DAF donors has grown

79%,

while non-DAF donors have **declined 6%**

26%

of current DAF donors were already supporting that cause when they made their first DAF gift

DAF donor retention is an average of

15% higher

than non-DAF donors in the study period

Background & Data Collection Process

About the Researchers



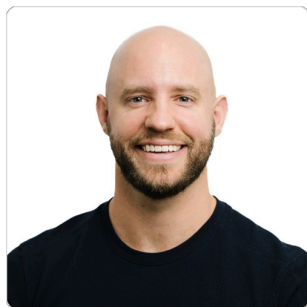
Karin Kirchoff

Founder & President, K2D Strategies

For more than 25 years, Karin has dedicated her career to working for causes that make the world a better place. By implementing dynamic and forward-thinking, multichannel direct marketing programs, she has helped to generate tens of millions for animal welfare and environmental causes, advocacy programs focused on women's rights, LGBTQ equality, and children; and social service causes that help the people and communities most in need.

Building strong relationships between members, donors, and the causes those individuals support has been critical to Karin's method to nonprofit program management and growth. At K2D Strategies, she leads teams with a people first approach that drives results for their nonprofit client partners.

Karin is active in the nonprofit community currently serving as the president-elect for the DMAW. She holds two Bachelor's degrees from Marymount University (political science and philosophy) and a Master's degree in political management from George Washington University.



Mitch Stein

Head of Strategy, Chariot

Mitch is a social entrepreneur who works tirelessly to improve the impact and experience of nonprofit work. In his role of Head of Strategy for Chariot, a payments company that is dedicated to building better financial technology for nonprofits, he leads stakeholder engagement and strategic initiatives - like this groundbreaking study.

Prior to Chariot, Mitch founded a marketplace for nonprofits called Pond, which connected organizations with the best software and services for their mission. Mitch spent 7 years as an Investment Banker at Goldman Sachs, where his work included running client strategy for the CEO and serving as a Vice President in the Technology, Media & Telecom deal team.

Mitch is an avid fundraiser for nonprofits - having participated in Cycle for the Cause, The Northeast AIDS ride since 2016 and serving as a board member for The LGBT Center of NYC since 2019. He graduated Summa Cum Laude from the Wharton School of Business at the University of Pennsylvania, with a Bachelors of Science in Economics, majoring in Finance and Accounting.



Matthew Dubins **Founder, Donor Science Consulting**

Matthew is a data scientist with 14 years of experience in the nonprofit sector. At Donor Science Consulting, he supports nonprofits and consulting firms with deep research, custom applications and donor analytics of all kinds.

Over his career he's worked for leading nonprofits like the Canadian Breast Cancer Foundation and agencies like Blakely Inc. and Cornerstone Group of Companies, prior to founding Donor Science Consulting.

He regularly volunteers his time performing data analytics for causes he's most passionate about, such as the Canadian Orthopaedic Foundation and UforChange. He holds a Bachelors degree in Psychology and Sociology from York University and a Masters degree in Cognitive Neuroscience from the University of Toronto Scarborough.

Data Collection Process

Participating organizations were asked to securely upload historical individual giving data for 5 years, with any donor names or PII masked with unique donor IDs. This process allowed us to compare DAF and non-DAF giving for the same donor, to the same organization, over time.

Data collected included:

- Donor ID
- Gift date
- Gift amount
- Channel (mail, digital, events, other)
- Gift Type (DAF or non-DAF)
- Restricted or unrestricted
- If DAF, which provider (Fidelity, Schwab, Vanguard, NPT, etc.)

No individual organization's data was shared with any other participants, and any details about specific organizations disclosed in this report were explicitly approved by the participants.

Historically, DAF giving data entry has been an entirely manual process, which leads to errors and inconsistencies. Extensive quality review was performed to ensure that data sets accurately reflected individual DAF giving in a comparable format to the best of our abilities. See the Appendix for further detail on the limitations and exclusions of this study.

Section 1

Defining the DAF Market for Nonprofits

DAFs had a dramatic rise in significance and usage across all participating organizations between 2019 - 2024 in terms of total DAF revenue, number of DAF gifts, and number of DAF donors.

Median Changes

Exhibit 5

Median 4-Year Change

| | Non-DAF | DAF |
|---------|---------|------|
| Revenue | 1% | 214% |
| Gifts | -5% | 83% |
| Donors | -6% | 79% |

The tables above summarize the key statistics we evaluated to track trends in the overall DAF market for participating organizations. Given some of the extreme outliers in terms of DAF growth and overall size, we focus on the median across the data set for our key takeaways.

A four-year median change in DAF revenue of +214% (between 2019-2023) is astounding given the relative flatness nonprofits are seeing from non-DAF donors. In addition, larger increases in the number of gifts from

2023 Median YoY Change

| | Non-DAF | DAF |
|---------|---------|-----|
| Revenue | -2% | 18% |
| Gifts | -3% | 2% |
| Donors | -4% | -1% |

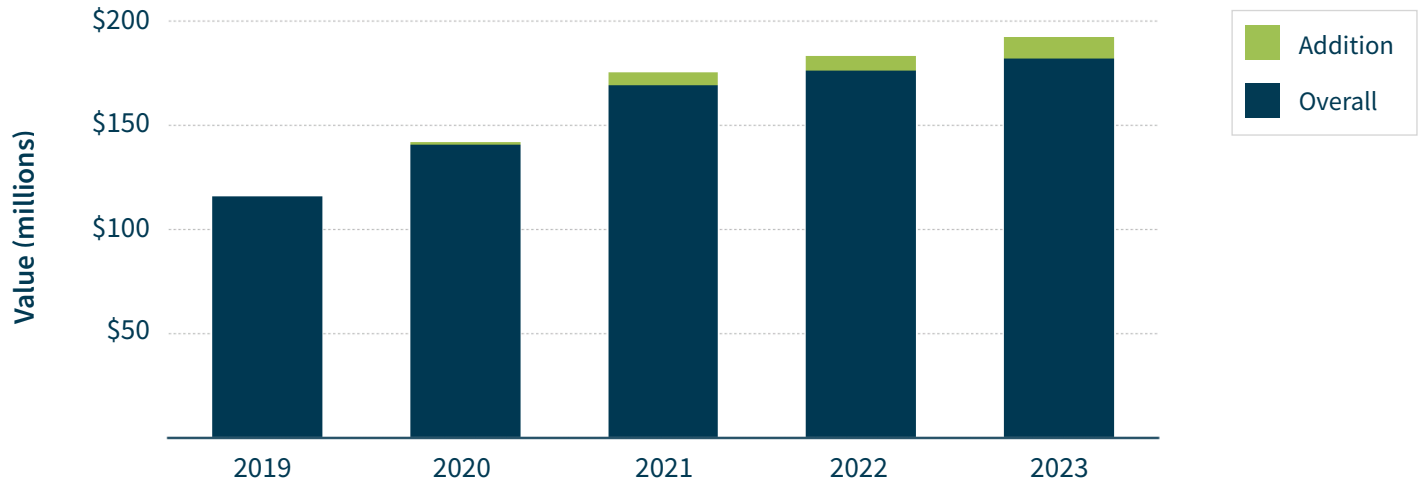
DAF donors vs. non-DAF donors highlight the repeat giving behavior DAF donors can display. Last, when focusing exclusively on the 2022-2023 year-over-year change in those same categories, we continue to see growth in DAF revenue and number of gifts that again outpaces non-DAF donor behavior.

We provide a further breakdown of the data analysis around DAF revenue growth, number of gifts, and number of donors in the sections below.

Revenue Growth

Total Annual DAF Revenue Included in the Report

Exhibit 6



The total annual revenue from DAF gifts across all participating organizations, in millions. There were four participants who provided fewer than five years of data, and their totals are noted in green with their data represented as ‘addition’ beginning in 2020.

Key takeaway

Total DAF revenue across participants increased from \$116 million in 2019 to more than \$192 million in 2023.

Distribution of Participants’ DAF and Non-DAF Revenue Growth Rates

Exhibit 7

DAF

| | 2020 | 2021 | 2022 | 2023 | 4yr Change |
|-----------------|------|------|------|------|------------|
| 10th Percentile | -21% | -9% | -19% | -8% | 23% |
| 25th Percentile | -3% | 23% | -14% | 10% | 63% |
| Median | 19% | 65% | -4% | 21% | 214% |
| 75th Percentile | 109% | 142% | 36% | 75% | 293% |
| 90th Percentile | 373% | 247% | 56% | 149% | 1158% |

Non-DAF

| | 2020 | 2021 | 2022 | 2023 | 4yr Change |
|-----------------|------|------|------|------|------------|
| 10th Percentile | -37% | -1% | -41% | -26% | -35% |
| 25th Percentile | -24% | 11% | -16% | -14% | -16% |
| Median | -1% | 23% | -4% | -2% | 8% |
| 75th Percentile | 29% | 73% | 10% | 9% | 72% |
| 90th Percentile | 50% | 136% | 50% | 22% | 91% |

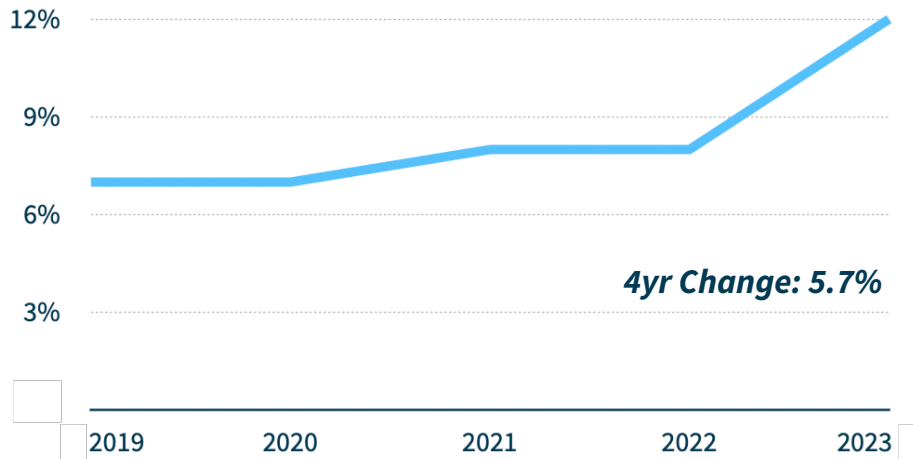
Percentiles calculated across all participants’ own year-over-year and 4-year (from 2019 to 2023) DAF revenue growth rates. Note that four participants without relevant data in a given year, or for the full 5-year period, were excluded from those percentile calculations.

Key takeaway

More than half of participants saw a 200%+ increase in DAF revenue from 2019 to 2023, while more than a quarter of participants saw non-DAF revenue decline in the same time period.

DAF Revenue as a % of Total Revenue, Annual Median

Exhibit 8



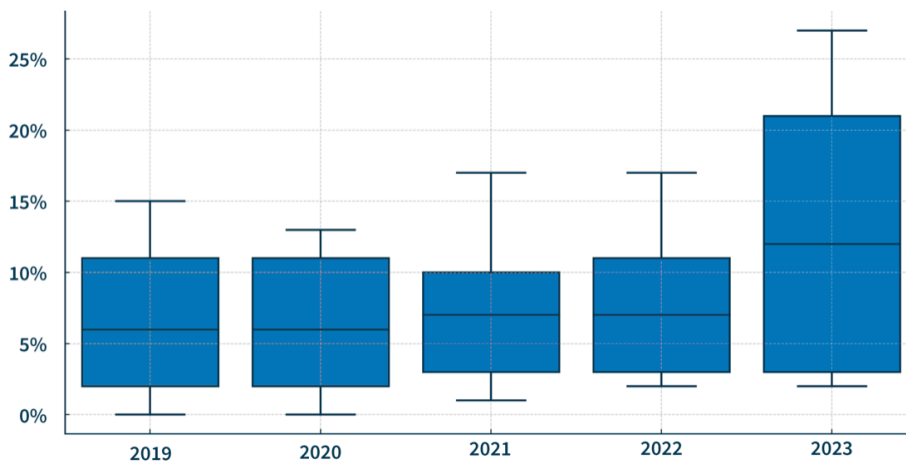
Median calculated across each study participant's DAF revenue as a percentage of total revenue each year.

Key takeaway

Most participants are now experiencing DAF giving as a core share of total revenue. In 2023, the median study participant saw 12% of overall giving coming from DAFs. In fact, 12 of the 20 participants saw 10% or more of total revenue coming from DAFs that year, and six of the 20 benefited from 20% or more of revenue from DAFs.

DAF Revenue as a % of Total Revenue, Distribution Across Participants

Exhibit 9



Percentiles calculated from each participant's annual DAF revenue as a percentage of total revenue each year.

Key takeaway

There is increasingly wide dispersion among participants in how meaningful DAF giving is to their overall revenue. There were several participants with negligible DAF revenue in the early years of the report, but every participant has more than 2% of revenue from DAFs by 2023. There was a sharp increase in 2023 in the number of participants who now see DAF revenue make up 10% or more of total revenue.

"I believe that our donor communications have been promoted to feature DAF giving opportunities, which probably helped to promote this increase. We have been driving people to our website. Plus, for web visitors, we have made it easier for them to find DAF giving in our Other Ways to Give. Lastly, we deployed DAFFPay in October 2023 which resulted in some uptick as well."

Art Weinkofsky

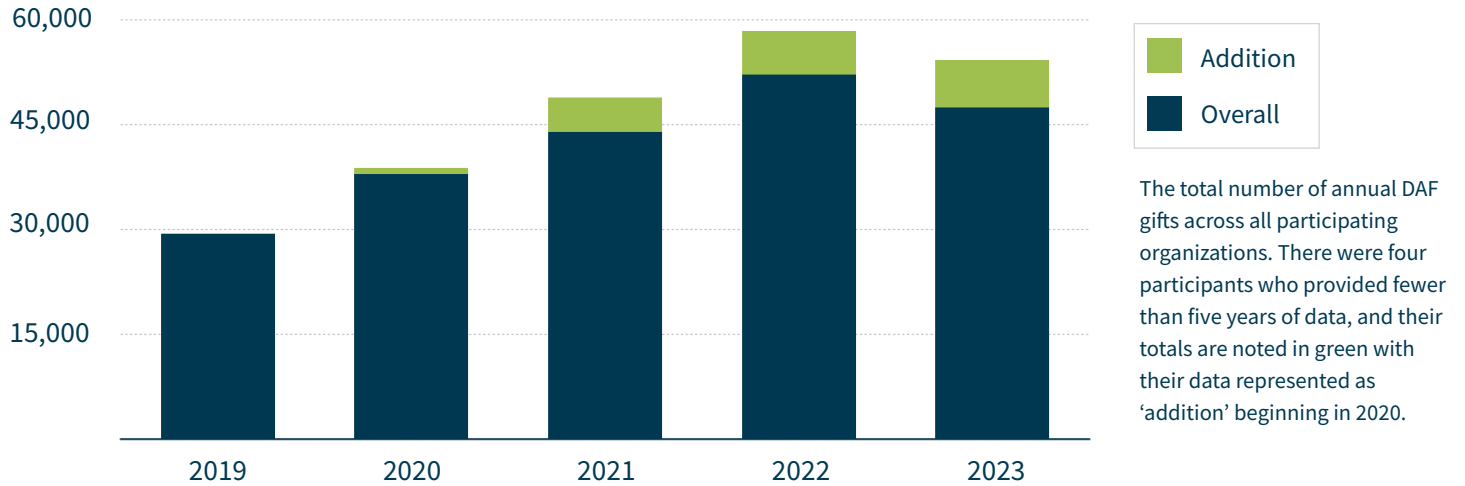
Director of Development & Information Systems

CENTRAL PARK CONSERVANCY

Gift Growth

Total DAF Gifts Included in the Report

Exhibit 10

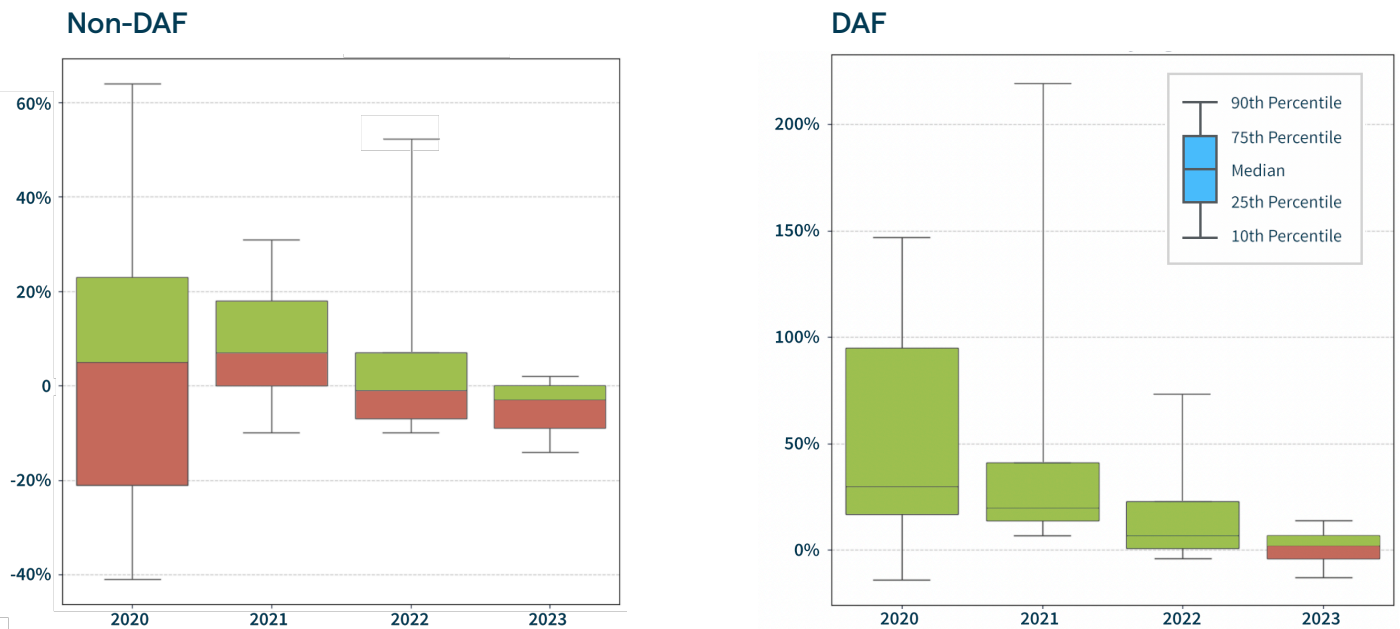


Key takeaway

Through our analysis, we found an 83% increase in the number of DAF gifts from 2019 to 2023. From 2022 to 2023, total DAF gifts declined by 7%, which was driven primarily by newsworthy events in 2022 that outsized spikes in giving to certain participants.

Distribution of Participants' DAF and Non-DAF Gift Growth Rates

Exhibit 11



Percentiles calculated across each participant's own year-over-year number of DAF and non-DAF gift growth rates. The four participants without relevant data in a given year were excluded from those percentile calculations.

Key takeaway

As we did with DAF and non-DAF revenue, we compared growth in the number of DAF and non-DAF gifts from 2019 to 2023 and saw a similar trend. Per our analysis, more than half of study participants experienced declines in the number of total non-DAF gifts but growth in the number of DAF gifts during the same timeframe.

“Sempervirens Fund ramped up cultivation of key donors, including mentioning DAFs as a way to give. The resulting increase in giving has helped us to protect more redwoods—for wildlife and people.”

Amanda Krauss

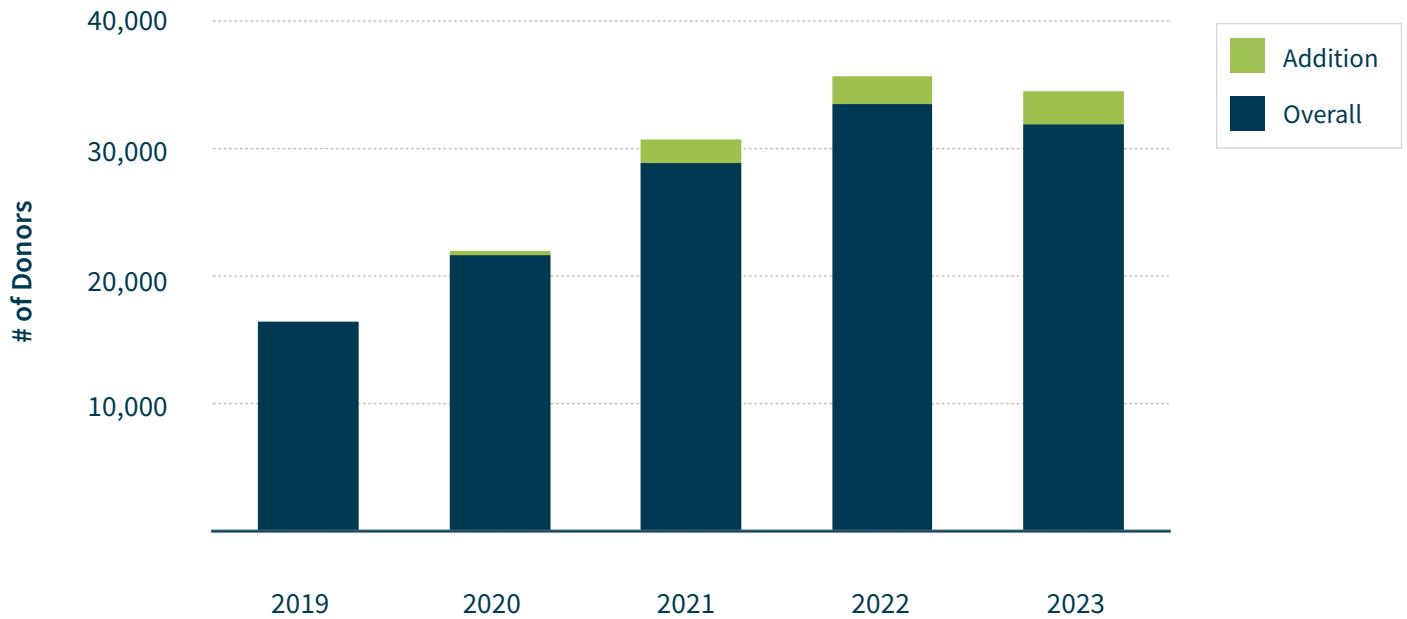
Director of Tribute & Legacy Giving



Donor Growth

Total DAF Donors Included in the Report

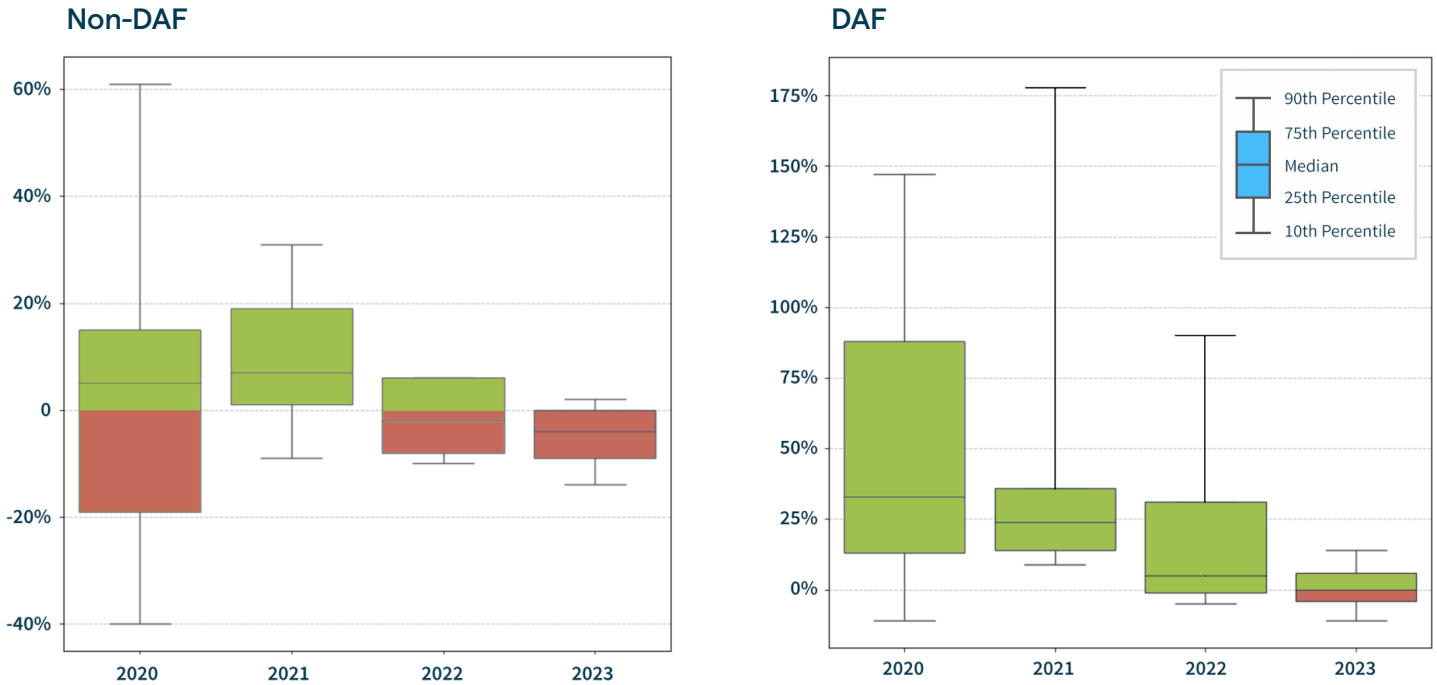
Exhibit 12



The total number of annual DAF donors across all participating organizations. There were four participants who provided fewer than five years of data, and their totals are noted in green with their data represented as 'addition' beginning in 2020.

Key takeaway

Total donors making DAF gifts follow a trend similar to DAF revenue and number of gifts with dramatic increases during the study period. The change in total number of DAF donors remains meaningfully below the change in number of DAF gifts because a significant portion of DAF donors make 2+ gifts per year (see Section 2).



Percentiles calculated across each participant's own year-over-year growth rates. The four participants without relevant data in a given year were excluded from those percentile calculations.

Key takeaway

While declines in the number of non-DAF donors have been reported for decades in the nonprofit sector, the increase in the number of DAF donors in the same timeframe again bucks this trend. Nearly all study participants saw increases in the number of DAF donors in the first four years of the data set (2019-2022). In 2023, 25% of participants saw slightly fewer DAF donors than the prior year, while 75% saw declines in the number of non-DAF donors.

Best Friends has taken a proactive approach to socialize the benefits of DAF and IRA giving among our constituents. We have added the option to indicate a forthcoming gift from these sources on appeal reply devices. We send promotional postcards twice a year, and we recognize those who have given in this way in the past and personalize the messages they receive. We also have our research team add DAF and IRA donors into a mid-level portfolio when a gift of this type is received. We believe it is an indicator that the donor is thoughtful with their donation planning, has the capacity to give more, and deserves to have a personal relationship with our staff.”

Barbara Camick
Membership Director



Section 2

DAF Donor Behavior

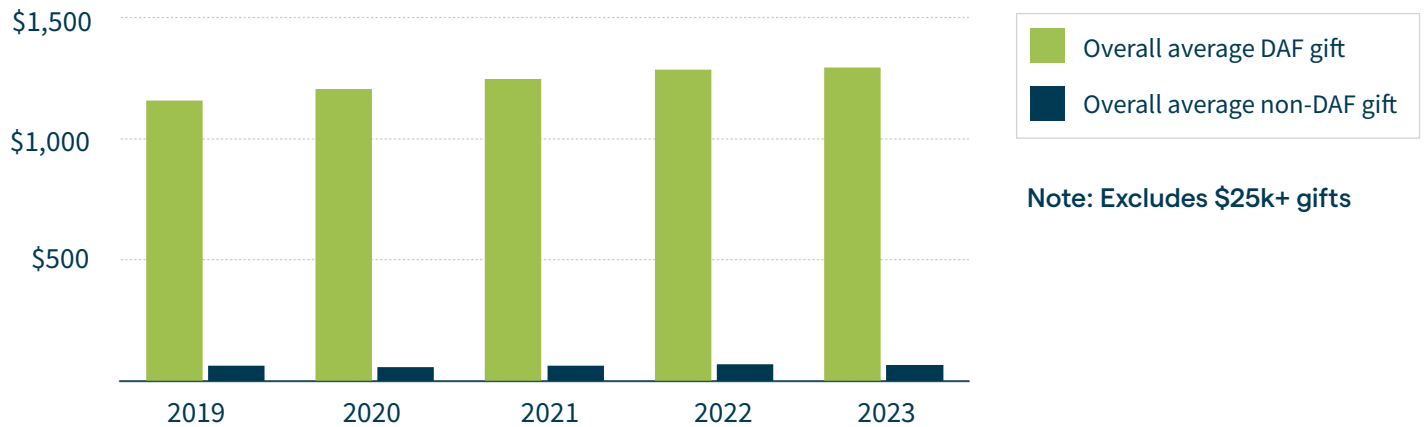
Understanding how behavior differs for DAF donors vs non-DAF donors was a significant priority for this study. Based on our understanding of DAF giving and the perceptions around DAFs, we were eager for a view into how various key performance indicators (KPIs) were impacted by DAF giving.

To that end, we looked at gift size, retention, frequency, and the timing or seasonality of when DAF donors were making gifts. We provided analysis both on a per organization basis when reporting on average and medians as well as on the data set overall.

Gift Size

Average DAF Gift Size, Compared With Average Non-DAF Gift Size

Exhibit 14



| | 2019 | 2020 | 2021 | 2022 | 2023 |
|-------------------------------------|---------|---------|---------|---------|---------|
| Overall Average DAF Gift | \$1,158 | \$1,206 | \$1,248 | \$1,287 | \$1,294 |
| Overall Average Non-DAF Gift | \$63 | \$59 | \$63 | \$69 | \$68 |
| <i>Ratio</i> | 18x | 20x | 20x | 19x | 19x |

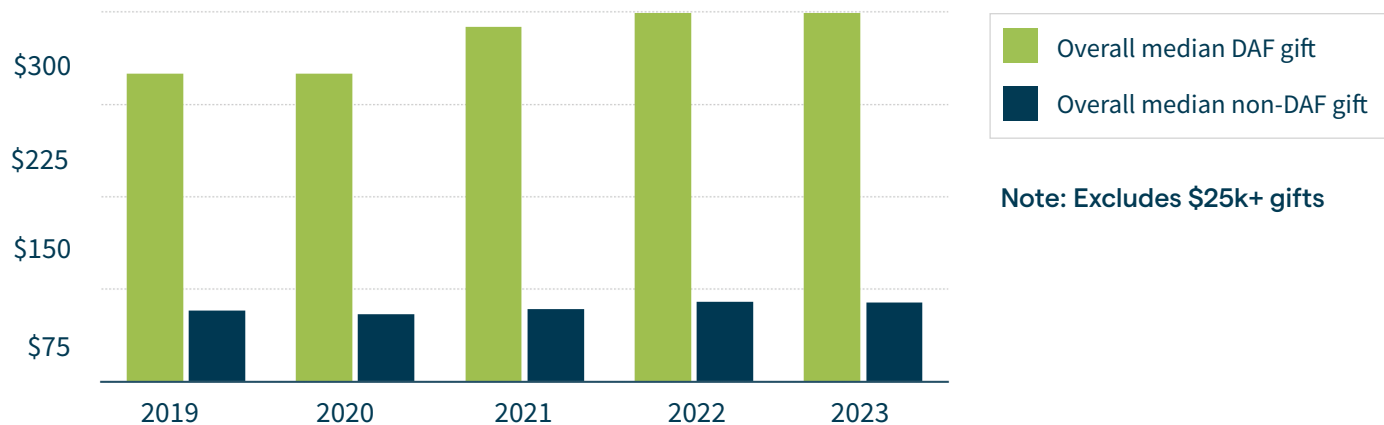
Averages calculated on the entire data set of DAF and non-DAF gifts each year, excluding gifts over \$25,000.

Key takeaway

Fueling the surge in DAF revenue for study participants is growth in average gift size as well as the number of DAF donors and DAF gifts. Our study found that average DAF gifts are 19x larger than non-DAF gifts, even with major gifts (those over \$25,000) excluded from the calculation to remove outliers. The size of DAF gifts is also increasing at a more dramatic rate than that of non-DAF gifts.

Median DAF Gift Size, Compared With Median Non-DAF Gift Size

Exhibit 15



| | 2019 | 2020 | 2021 | 2022 | 2023 |
|------------------------------------|-------|-------|-------|-------|-------|
| Overall Median DAF Gift | \$250 | \$250 | \$288 | \$300 | \$300 |
| Overall Median Non-DAF Gift | \$58 | \$55 | \$59 | \$65 | \$64 |
| Ratio | 4x | 5x | 5x | 5x | 5x |

Medians calculated on the entire data set of DAF and non-DAF gifts each year, excluding gifts over \$25,000.

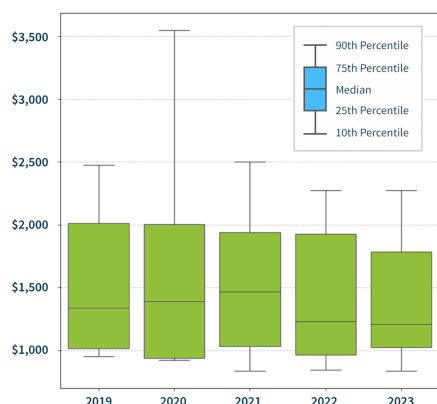
Key takeaway

We see the same trend when looking at median gifts as we do with averages. For the purposes of this study, we find reviewing both average gift and median gift sizes valuable, especially when considering the impact of mass market communications to donors about DAF giving.

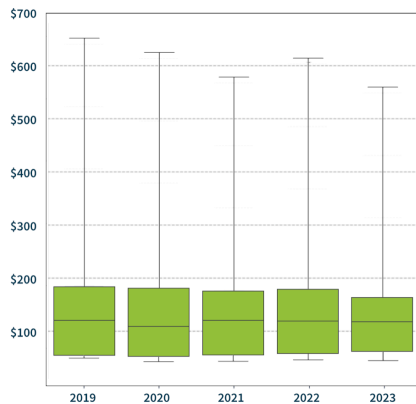
Distribution of Each Participant's Average DAF and Non-DAF Gift Size

Exhibit 16

Average DAF Gift



Average Non-DAF Gift



| | 2019 | 2020 | 2021 | 2022 | 2023 |
|------------------------|------|------|------|------|------|
| 10th Percentile | 3x | 4x | 4x | 3x | 3x |
| 25th Percentile | 8x | 4x | 6x | 7x | 7x |
| Median | 12x | 10x | 12x | 11x | 10x |
| 75th Percentile | 19x | 18x | 18x | 16x | 18x |
| 90th Percentile | 37x | 34x | 21x | 28x | 30x |

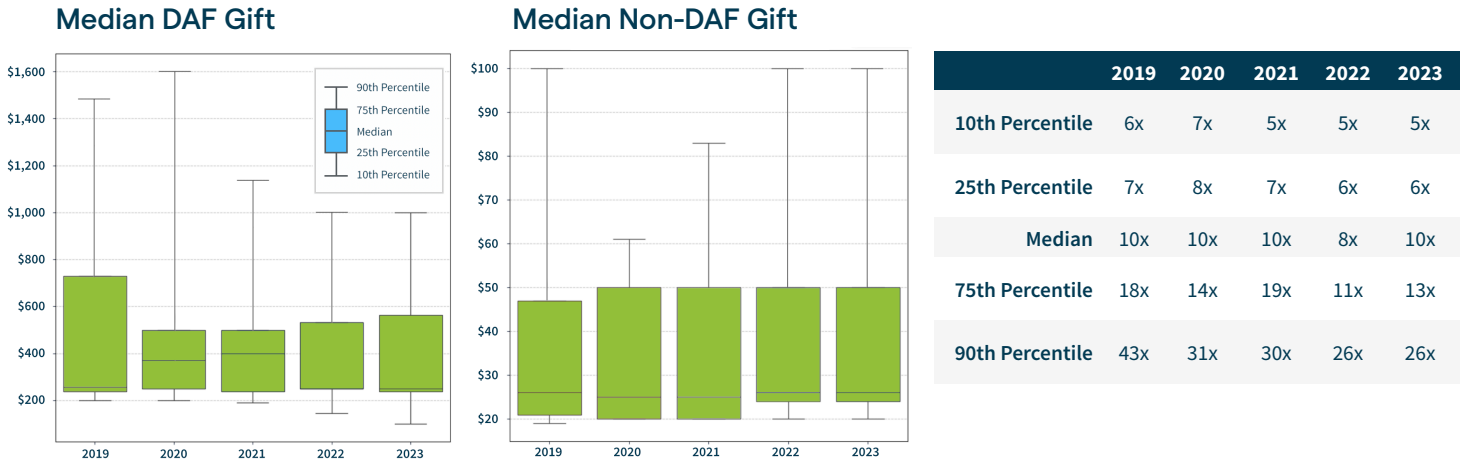
Percentiles calculated across each participant's average DAF and non-DAF gift size under \$25,000 in the report each year. The four participants without relevant data in a given year were excluded from those percentile calculations.

Key takeaway

Across participants, we see that an individual organization’s average DAF and non-DAF gift size can vary significantly.

Distribution of Each Participant’s Median DAF and Non-DAF Gift Size

Exhibit 17



Percentiles calculated across each participant’s median DAF and non-DAF gift size under \$25,000 in the report each year. The four participants without relevant data in a given year were excluded from those percentile calculations.

Key takeaway

We don’t see as much dispersion in median gift size of DAF and non-DAF gifts among the participants, and the ratios between the two are similar to the results for averages.

The influx of DAF support following the Supreme Court’s Dobbs decision was the motivation we needed to think more strategically about these donors and ensure our systems were equipped to welcome and steward them. Highlighting DAF giving for our donors—and the inclusion of lower dollar donors in that outreach—has increased the number of donors directing their gifts to the Center and exponentially increased overall DAF revenue.”

Tyler Kalogeros-Treschuk

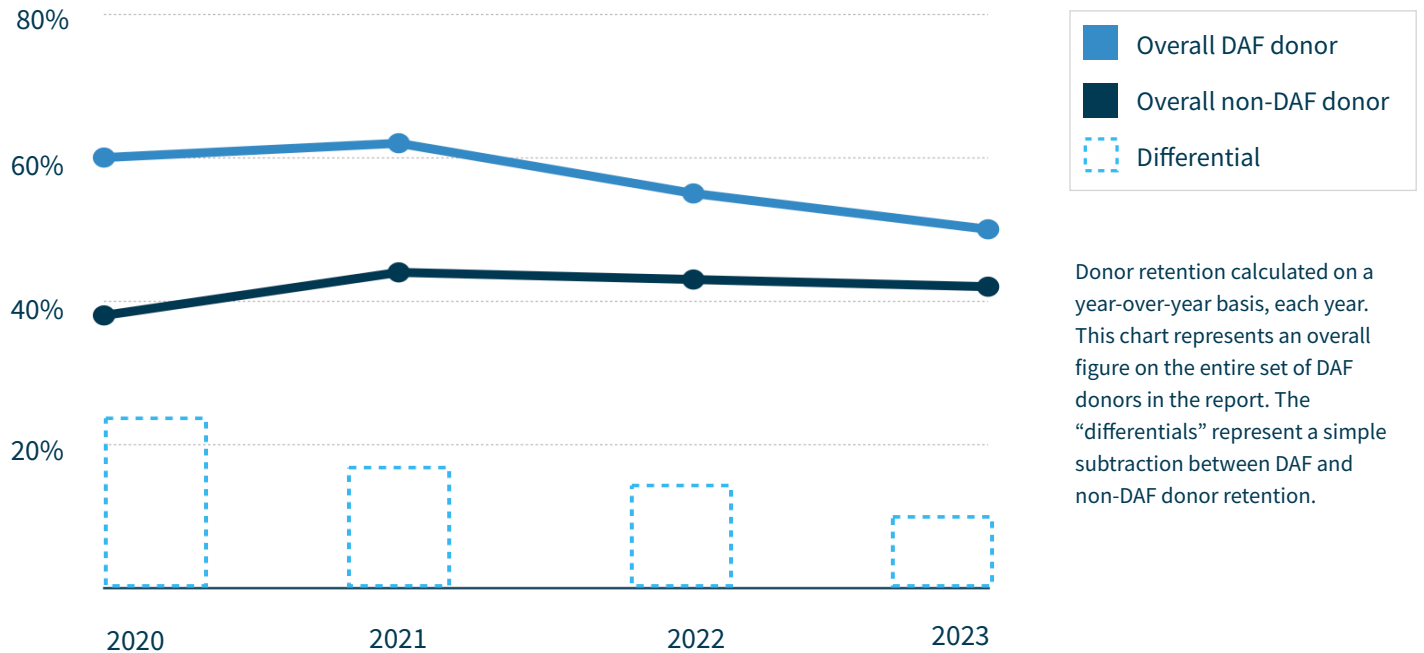
Director, Individual Giving

**CENTER *for*
REPRODUCTIVE
RIGHTS**

Donor Retention

DAF Donor & Non-DAF Donor Annual Retention

Exhibit 18



Donor retention calculated on a year-over-year basis, each year. This chart represents an overall figure on the entire set of DAF donors in the report. The “differentials” represent a simple subtraction between DAF and non-DAF donor retention.

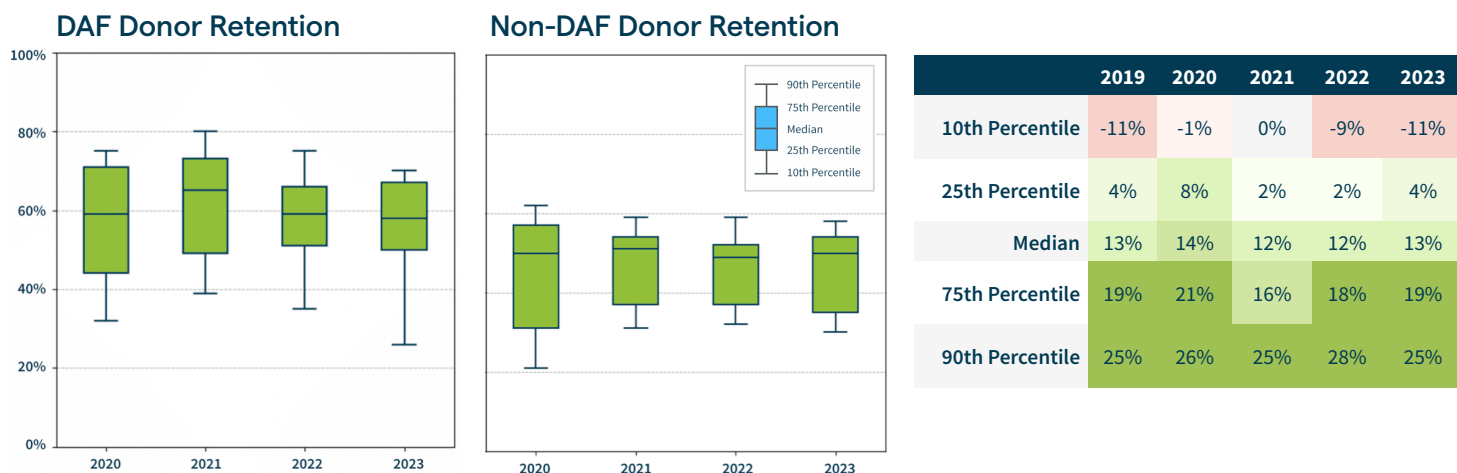
| | 2020 | 2021 | 2022 | 2023 |
|-----------------------|--------------|--------------|--------------|-------------|
| Overall DAF Donor | 60% | 62% | 55% | 50% |
| Overall Non-DAF Donor | 38% | 44% | 43% | 42% |
| <i>Differential</i> | <i>22pts</i> | <i>18pts</i> | <i>12pts</i> | <i>8pts</i> |

Key takeaway

Retention is among the most important KPIs for fundraisers when evaluating the health of their donor file trends. In the data set, we see not only strong retention among DAF donors, but retention rates that outpace those of non-DAF donors by 15 percentage points on average over the study period—most recently, 8 percentage points in 2023, and a high of 22 percentage points in 2020! By comparison, non-DAF donor retention has declined slightly in three of the last four years for study participants.

Distribution of Each Participant’s Annual Retention Among DAF and Non-DAF Donors

Exhibit 19



Percentiles calculated across each participant’s overall retention rates among DAF and non-DAF donors. The four participants without relevant data in a given year were excluded from those percentile calculations.

Key takeaway

When reviewing retention rates for DAF and non-DAF donors on a per-organization basis, retention rates among DAF donors are consistently significantly higher.

We credit TPL’s strong retention rate to the strength and consistency of our Conservation Champions mid-level program. We execute year-round communication and stewardship of that group, and DAF giving is always encouraged. We list it out on every mid-level reply device, and we call it out as an eligible giving vehicle in our spring and year-end match campaigns. Our Conservation Champions are the backbone of our membership program revenue and major donor pipeline, and DAF giving is a critical component of that performance.”

Evan Tighe

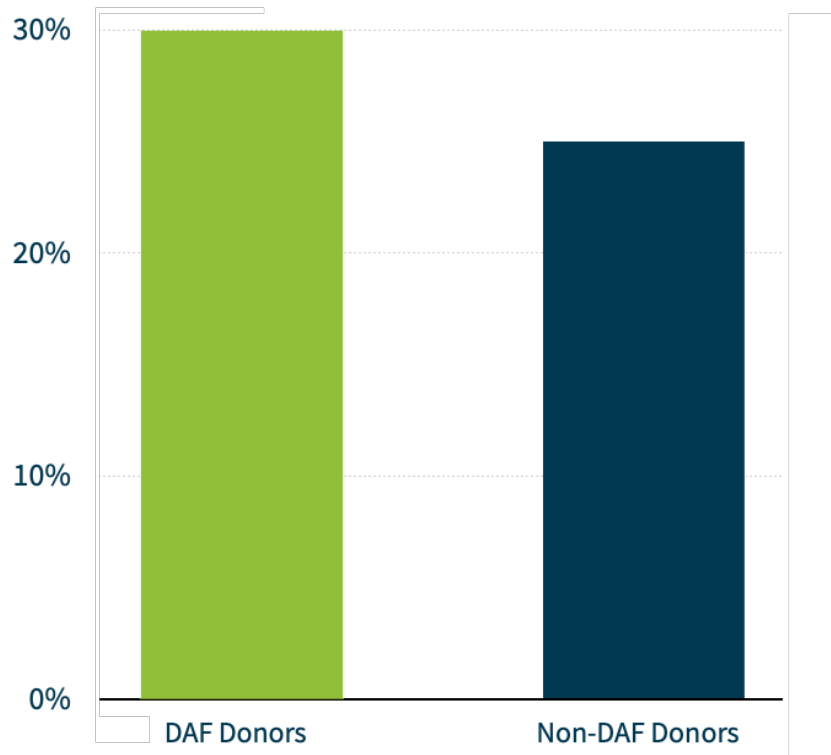
Associate Director of Membership



Frequency

Percent of Donors That Make 2+ Gifts Per Year

Exhibit 20



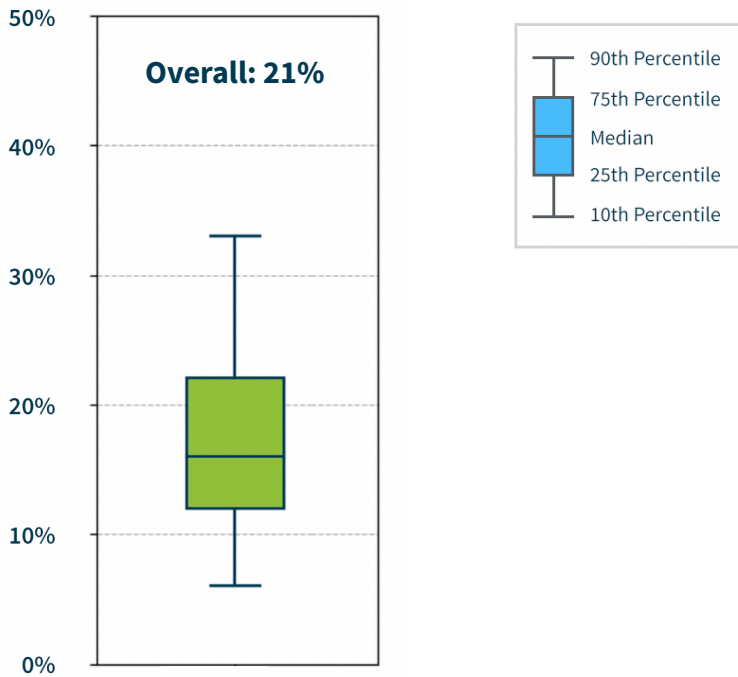
Any unique donor in the data set that has at least one year of making 2+ gifts is included in the calculation. For DAF donors, they are only included if they gave 2+ gifts (DAF or Non-DAF) in a year once they began using a DAF. Anonymous donors are excluded from both calculations because it is not possible to link multiple gifts to the same anonymous donor.

Key takeaway

Among the most surprising data points in the study is gift frequency. The overall percentage of DAF donors making multiple gifts in a single year when compared to non-DAF donors is significant. A full 30% of DAF donors make 2 or more gifts per year vs. 25% of non-DAF donors.

Frequency of DAF Donors Making Non-DAF Gifts

Exhibit 21



Any unique donor in the data set that has at least one year of making 2+ gifts is included in the calculation. For DAF donors, they are only included if they gave 2+ gifts (DAF or non-DAF) in a year once they began using a DAF. Anonymous donors are excluded from both calculations because it is not possible to link multiple gifts to the same anonymous donor.

Key takeaway

The data set reveals that DAF donors aren't only making DAF gifts. 21% of DAF donors continue to give through other means once they've started giving through their DAF. On a per-organization basis, this figure has a broad range.

The ACLU is a membership organization in which membership donations are C4, so DAF donations are often additional gifts. We're also working across our file to supercharge DAF donations: we've implemented DAFpay on the ACLU's website; we've added DAF call-outs to our reply forms; we've started asking for DAF donations from donors who have given via a DAF before in telemarketing; and we've dedicated ourselves to improved reporting, matching back DAF gifts to the appeals that triggered them. We are looking forward to sending a DAF-specific package to our mid and major donors in 2025."

Caroline Pronovost

Associate Director, Donor Retention



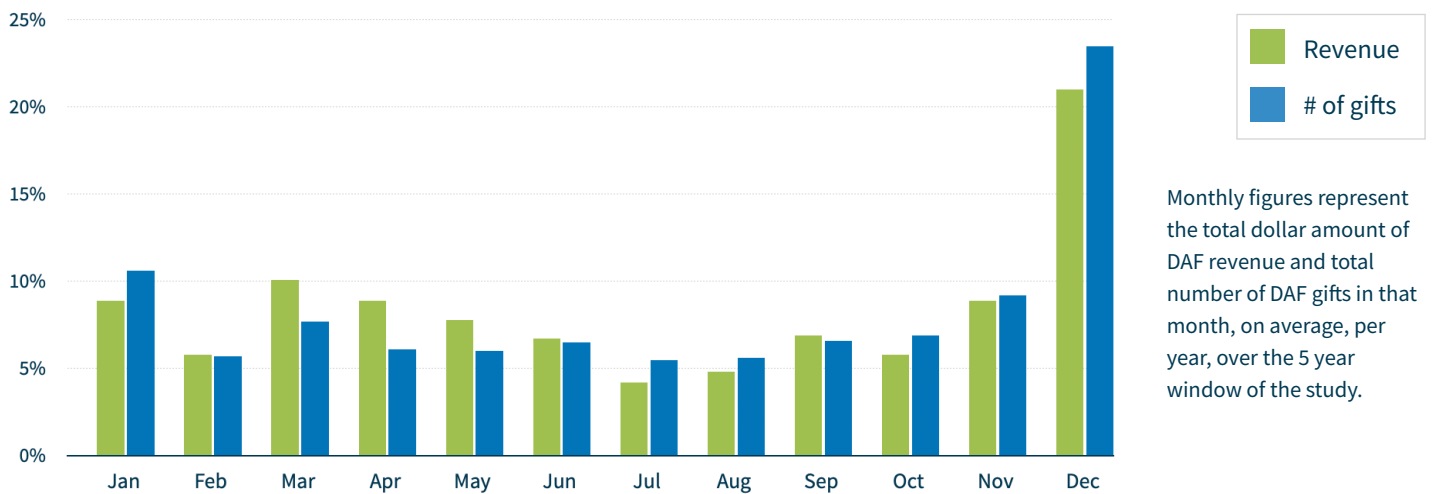
Section 2.4

Seasonality

While donor behavior and increased solicitation still drive a large number of gifts at year-end, giving via DAFs is much more evenly spread throughout the calendar year than non-DAF giving.

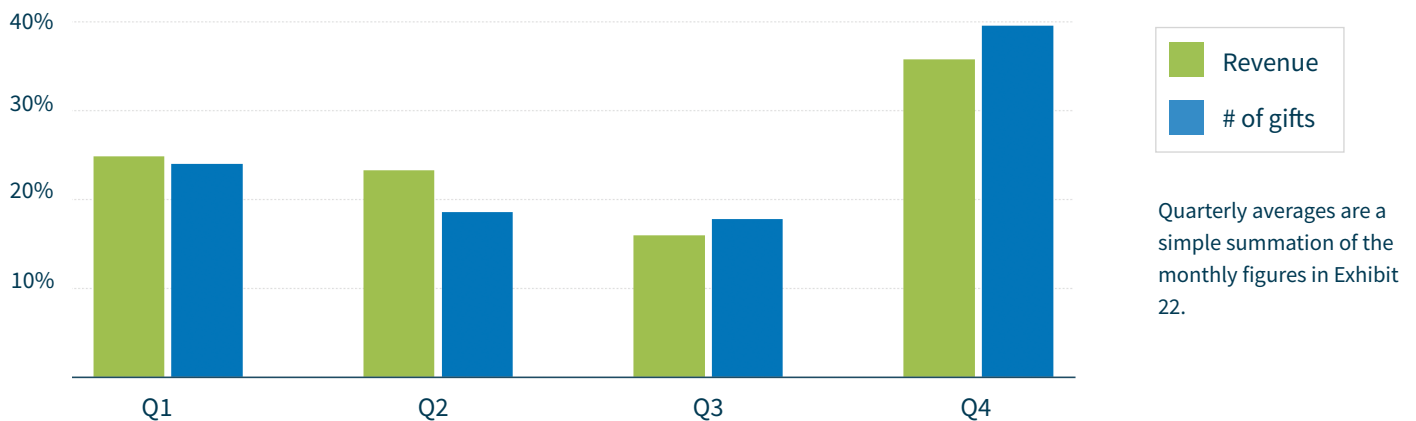
Average Monthly Distribution of DAF Giving

Exhibit 22



Average Quarterly Distribution of DAF Giving

Exhibit 23



Key takeaway

DAF giving tends to be better-distributed throughout the year and less reactive to the typical nonprofit campaign cycle; however, Q4 remains the busiest time period, as it is when nonprofits are most actively soliciting. Q1 represents an interesting opportunity for nonprofits to capitalize on DAF giving, given the elevated DAF activity demonstrated across participants. Some possible drivers of Q1 activity include increased DAF account size after year-end contributions and tax planning that takes place ahead of April filings.

Section 3

Changes With DAF Adoption

The most important question we set out to answer with this study was: Does it hurt or help a nonprofit once a supporter starts using a DAF?

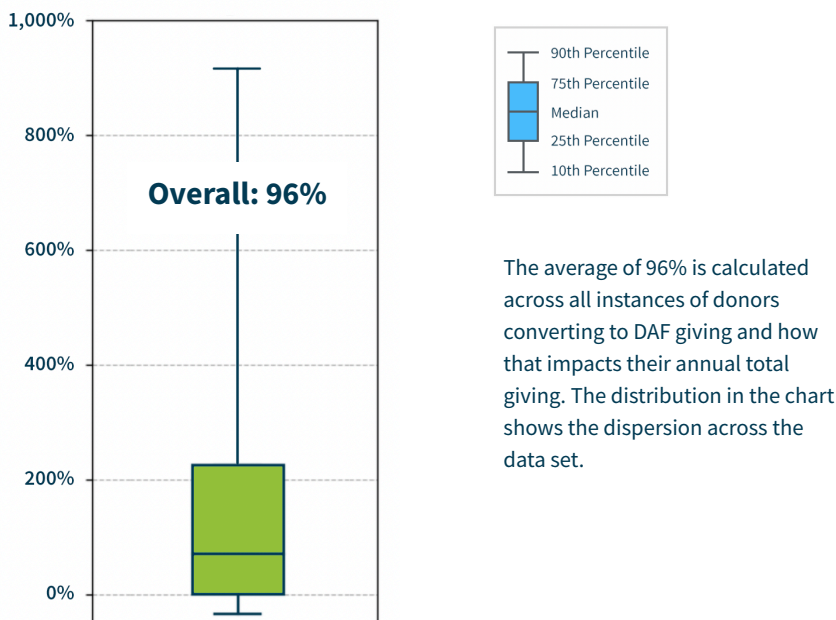
We acknowledge that there are hesitations in the nonprofit sector around DAFs—for example, some fundraisers express concerns about encouraging DAF giving because it could move even more funds into DAFs, and potentially to other nonprofits. Others haven't yet been convinced that the value of DAF gifts outweighs the costs (e.g., need for manual data entry, difficulty identifying who directed the DAF gift, etc.).

To answer the question above, the approach we used in this study allowed us to examine how DAF usage changes individual donor behavior within the organizations they are already supporting.

Change in Donations from Converted DAF Donors

Percentage Change in Size of a Donor's Annual Support Once Giving From a DAF

Exhibit 24

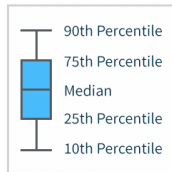
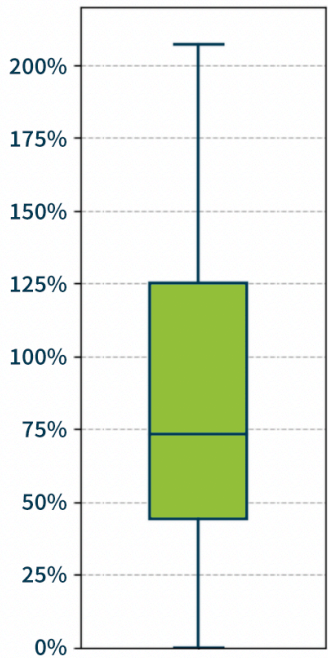


This calculation includes over 16,000 unique instances across participants between 2019 and 2023 where an existing non-DAF donor (who made a non-DAF gift in the report timeframe) starts using their DAF. In each of these instances, we compared their average annual giving in the years before their first DAF gift with the average annual giving **to the same organization** in the years after their first DAF gift (including the year in which the first DAF gift was made).

The results show that on average, a donor nearly doubles (+96%) the size of their annual support to an organization once they begin using their DAF. There is also significant upside demonstrated in the data, with more than 25% of these converted donors increasing their annual support by more than 200%, and less than 10% of converted DAF donors decreasing their annual support.

Distribution of Each Participant's Percentage Change in a Donor's Annual Support Once Giving From a DAF

Exhibit 25



The distribution in the chart shows the dispersion of each participant's average per converted donor increase in annual giving.

Key takeaway

All but 2 organizations experienced increases in giving when donors convert to using a DAF, and more 75% of participants saw annual giving increase by over 50% when donors convert.

The total annual revenue impact attributable to donors converting to DAF usage (i.e. increased annual giving once they started using their DAF) among the 20 participants was:

\$92 million per year

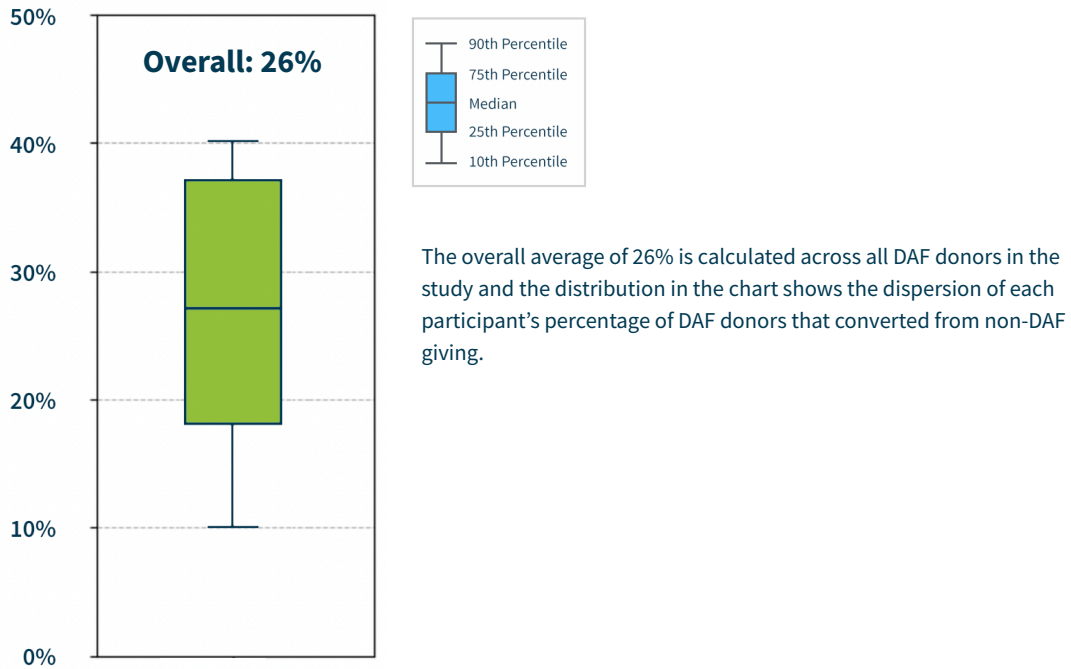
In 2023,

48% of DAF revenue

can be attributed to this phenomenon of DAF donor conversion.

Percentage of DAF Donors That Converted From Non-DAF Giving in the Study Period

Exhibit 26



Key takeaway

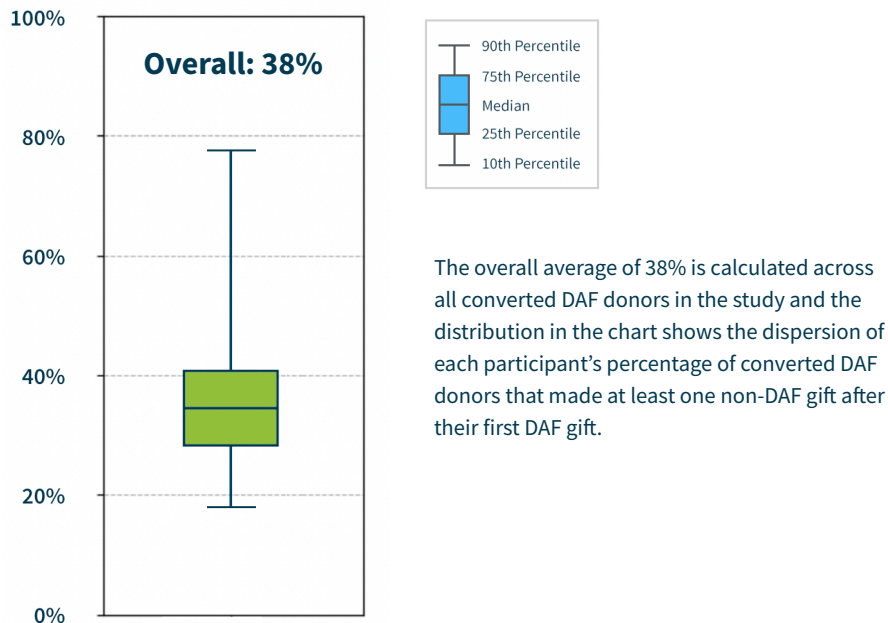
It is extremely common for donors with a DAF to begin supporting a new organization through non-DAF giving. For over half of participants, 25% or more of their DAF donors previously gave outside of their DAF.

Note: These figures should represent a “floor,” or minimum level, of DAF conversion in the study, given that we don’t know how many more current DAF donors converted from non-DAF giving prior to 2019.

Behavior of Converted DAF Donors

Percentage of Converted DAF Donors That Continue Giving Non-DAF Gifts

Exhibit 27



Key takeaway

Once a donor starts using their DAF to support a certain organization, it's still very common for them to make gifts outside of their DAF to the same organization. A few reasons include:

1. They are responding to an appeal for support (e.g., direct mail, email, display ad, peer-to-peer ask) and find it easier to give via credit card or check.
2. They are giving for something that's not DAF-eligible (e.g., an event ticket or auction item).

Because so many donors have a propensity to make additional contributions outside of their DAF, **it's important not to exclude them from other campaigns and asks throughout the year.**

Especially for these converted DAF donors, their rate of giving outside of their DAF is nearly twice that of the general DAF donor population in the data set (38% vs. 21%).

Section 4

Best Practices for DAF Data Management

Section 4.1

Proper Database Setup

DAF gifts have historically been difficult for organizations to track, which has led to a host of issues around data entry, accuracy and segmentation. There are five key contributors to this challenge:

1. **Limited data provided:** While the vast majority of DAF gifts are not made anonymously, they often contain limited useful information. Usually, only a “fund name” is provided alongside a DAF gift, which doesn’t necessarily correlate to an individual donor’s name. Gift details almost never include an email address or phone number, which makes tracking gifts and engaging with donors difficult.
2. **Lack of business rules associated with DAF gift management:** In part because of the more recent emergence of DAFs as a payment option, few organizations have detailed processes on DAF donor management and data tracking (for the limited data they do receive tied to DAF gifts).
3. **Risks of manual entry:** DAF gifts have historically been manually entered into most organizations’ databases, given they are received as mailed checks or bank transfers without source codes or scanlines. Manual entry is a common contributor to human error in the data.
4. **Database limitations:** Among the dozens of CRMs available for nonprofits to manage donor data—both within the study group and across the nonprofit sector—there is often limited ability to track DAF gifts, given that these were built before DAF giving became a significant source of revenue.
5. **Siloed ownership and staff turnover:** Management of these gifts might live with major or planned gifts, with direct response teams, and even with finance teams. Because organizations often lack well-documented DAF handling processes, employee turnover can result in lapses or inconsistencies in DAF data.

Note

[DAFpay](#), a technology offered by Chariot, has introduced an entirely new segment of DAF giving that's truly online and can be automatically recorded into a database with full donor information (including email, first name, last name, and address for every DAF gift).

Through our analysis in this study, we have created the following recommendations for the ideal database set up for optimal DAF gift and DAF donor tracking. This can be leveraged as a checklist to review your organization's current practices.

- A yes/no flag or check box that signifies a DAF gift
- A hard credit for the DAF provider (Fidelity, Schwab, Community Foundation)
- A soft credit for the donor who directed the DAF gift (including first name, last name, email, address, phone number and fund name, where possible)
- A "soft, soft" credit in the case of DAF gifts related to peer to peer events, where the individual participant should also be attached to a gift they helped raise.
- Gift date (when it was submitted, not received. Typically this date will be present on the gift documentation.)
- Payment type (Check, ACH, PayPal)
- Attribution (Mail, Website, P2P, Event) when known
- A yes/no flag or check box for an anonymous gift

Best Practices for DAF Data Entry

Through the quality review process of the data submitted for this study by applicants, we uncovered eight categories of common issues that needed to be addressed. We've outlined them in detail below for anyone who is actively engaged in DAF gift data management to keep in mind.

Eight Tenets of DAF Data Entry

1. Only flag gifts as DAF gifts when individual DAF donors are recommending grants from their DAF account.

Some organizations include many types of giving under the DAF umbrella that are either incorrect or not actually associated with individual DAF giving. These can typically include:

1. Crowdfunding Platforms

- a. Many crowdfunding platforms may technically disburse funds through a DAF entity, but should not be bucketed with DAF donors. Some of the crowdfunding platforms named as “DAF provider” that we needed to clean up from the data included:
 - i. every.org
 - ii. Give Lively
 - iii. GiveGab
 - iv. GiveWell
 - v. Globalgiving
 - vi. GoFundMe
 - vii. Grapevine
 - viii. Growfund / GlobalImpact
 - ix. JustGive
 - x. JustGiving
 - xi. Mightycause
 - xii. Networkforgood

- xiii. Percent Pledge
- xiv. Pledge / Pledgeling Foundation
- xv. Tisbest
- xvi. Wepay

2. Employee Matching

- a. Similar to crowdfunding, many employee matching programs utilize a DAF for disbursements, but should not be included in individual DAF giving. Some common examples of “DAF provider” names that were excluded in this category were:
 - i. Benevity / America Online Giving Foundation
 - ii. CyberGrants
 - iii. YourCause / The Blackbaud Giving Fund
 - iv. Individual company names

3. Payroll Giving

- a. Many employers allow employees to make donations directly out of their salary. That should not be included in individual DAF

giving. Some common examples of “DAF provider” names we needed to exclude in this category were:

- a. Payroll providers (like Gusto)
- b. United Way

4. Corporate Giving

- a. While some companies utilize a DAF account for their company-level support of nonprofits, they should not be included in individual DAF giving.
 - i. There were many examples in the data set where a company name was included as a “DAF Provider” name. These were recategorized as non-DAF gifts for this analysis.

5. Private Foundations

- a. Some individuals have both a private foundation and a DAF account, but private foundations shouldn't be named as the DAF provider.

- b. We've observed that many organizations are putting foundation grants under the same identifier as DAF grants, which are important to track separately.

6. IRA / QCD

- a. Donors often hold an IRA account at the same institution as their DAF account. We recognize this can be very confusing, and leads many nonprofit organizations to commingle IRA distributions with DAF gifts. However, with IRA distributions, the hard credit belongs to the individual account holder and not the financial institution.
- b. Typically, an IRA distribution would come from Fidelity instead of Fidelity Charitable. All financial institutions that have an affiliated DAF provider will have a distinct and separate name for the DAF entity (e.g., Schwab Charitable, Vanguard Charitable, etc.).

2. The DAF provider needs to be the “hard credit” for legal and accounting reasons.

Once a donor contributes funds to a DAF account, the DAF provider has legal control over the funds. Therefore, when running the [public support test](#) for annual filings, all DAF gifts affiliated with a specific provider need to roll up to that one organization.

We observed that many organizations are entering the DAF Provider incorrectly as the “soft credit” instead.

3. The DAF donor needs to be the “soft credit.”

Even though it's not always available, it's important to make the best effort to include the individual DAF donor as a soft credit on DAF gifts in your database.

While this isn't for legal or accounting reasons, it's critical for development/direct response team efforts to solicit and steward these high-value donors and ensure a complete view on donor engagement and support.

Many organizations simply aren't tracking any individual information associated with DAF gifts, and only tracking them under the DAF provider in their database.

4. Ensure that all gifts from one DAF provider roll up to the same database entry.

Because of manual entry, it's very common to have many instances of "Fidelity Charitable" with slightly different spelling or wording. This is problematic for the public support test as well.

5. Ensure that the actual DAF provider is what is recorded.

The hard credit should not be recorded as an entity that processed the gift (e.g. PayPal Grants Payments) or an investment advisor or firm that still uses another DAF Provider (e.g. Johnson Financial, which manages Raymond James Charitable DAF accounts for their clients).

Many DAF providers utilize PayPal Grants Payments ("PPGP") to send DAF grants to nonprofits. It's important to still capture the actual DAF provider for your public support test, as PPGP is not the actual source of funds, merely the processor.

There are thousands of independent investment advisors that manage client funds through brokerage firms like Fidelity, Schwab, Vanguard, Raymond James, etc. Often that individual investment advisor, or their firm, is recorded as the DAF Provider, but are not the legal source of funds. It's important to record the name of the DAF provider that's on the actual funds transfer or check.

6. Ensure that all anonymous gifts roll up to the same "anonymous" database entry.

There's a difference between a gift being truly anonymous and a gift containing nomenclature that makes matching to a donor difficult (i.e., a gift from "The Joy Fund" at Fidelity Charitable). Nonprofits should only count gifts as "anonymous" when they truly have no information provided on the DAF donor.

Organizations should make every effort to find identifying details on a DAF gift—while this work can be time-consuming, it is important for improved data tracking, effective donor stewardship, and re-solicitation.

7. "Gift date" should be entered as the date the gift was initiated, not the date it's received or entered.

This is important to make sure monthly, quarterly, and annual financial statements are accurate and better track when or why your DAF donors were inspired to give (e.g., if they donated in association with a big fundraising campaign).

8. Do not trigger tax receipts when DAF gifts are received.

A DAF donor received the tax benefit when they contributed to their DAF account. The act of recommending grants from a DAF account does not generate another tax-deductible event. This is a common issue we observed in the data.

It's best to have a separate message template for acknowledging DAF gifts, or to add language to your standard template that clarifies that tax-deductibility is not applicable if the gift was made through a DAF.

As DAF giving continues to represent a larger portion of nonprofit fundraising revenue and organizations become more sophisticated in their strategy around DAF giving, it is increasingly important to improve and align data practices related to DAFs. This is important because these gifts may be entered by in-house teams (e.g. the donor care team, finance, etc.), and also through an external partner processing gifts received via postal mail or through a lockbox.

Value of Adopting These Best Practices

1. Better Compliance

While the impact of these errors historically may have been insignificant given DAF giving was a relatively small percentage of fundraising, it will be increasingly critical to properly track DAF giving for legal and accounting reasons.

It's also very important that DAF gifts aren't accepted for improper use (e.g., auction items, gala tables, etc.). Without proper tracking, it's difficult to ensure that improper use isn't taking place.

2. Improved Donor Stewardship

DAF donors tend to not be well-stewarded by most organizations, which can impact engagement. This is typically due to a combination of limited information given by DAF providers, timing delays, poor tracking practices, and bifurcated donor management within the organization.

DAF gifts are often commingled in a database with many other types of giving (detailed in section 4.1), which makes it difficult to isolate true DAF donors for more hands-on stewardship.

With digital DAF payment available, using automations in the CRM is an easy way to add low-cost stewardship to the communications cadence.

3. Increased Digital DAF Giving

With the advent of [DAFpay](#), organizations are seeing a larger percentage of DAF gifts initiated on their website and are able to automatically sync details with their database.

As organizations adopt digital DAF payment technology, it's important that broader DAF coding best practices are aligned.

Section 5

Looking Ahead: Strategies for DAF Fundraising Success

More than half of participating organizations in this study saw a **decline** in non-DAF giving in 2023 when compared to 2022, but 85% saw an **increase** in DAF giving. As demonstrated in this study, a rapidly increasing share of donors are opting to use a DAF, and a significant number of DAF donors still support nonprofits in other ways (before their first DAF gift to an organization and after). **Once someone starts using their DAF, their annual support to your organization increases by 96%**, so we encourage organizations to recommend DAF giving early and often. A more proactive DAF fundraising strategy will help:

1. Uncover DAF donors using their DAF the first time they give.
2. Increase use of DAFs in more circumstances where appropriate.
3. Increase the share of donors that use a DAF for giving.

In addition to the data management tenets covered in Section 4, any proactive DAF giving strategy should include:

1. **Marketing strategy:** Make DAF giving top-of-mind through a multi-channel communications strategy.
2. **Technology implementation:** Make DAF giving more seamless for donors, and DAF gift tracking and data management more seamless for your organization.
3. **Fundraising strategy:** “Un-silo” the ownership of a DAF giving strategy across the entire organization, instead of just within a specific, siloed team.

In this section, we’ll review specific tactical recommendations and historical examples of organizations that are excelling with these strategies to boost DAF revenue and DAF donor participation.

Section 5.1

Marketing for DAF Giving

The majority (65%) of study participants report having a DAF marketing strategy, and just over half report actively soliciting DAF gifts via direct response channels (e.g., mail, email, etc.). While this is a promising start, it indicates that a substantial share of nonprofits are not intentionally implementing a DAF giving strategy, which means that revenue is being left on the table. This correlates with the [2024 FreeWill DAF Survey of nonprofits](#) that reports 42% of organizations polled were not mentioning DAFs in any of their donor communications.

The most common question asked by nonprofits about DAF Strategy is: How do we find DAF donors?

We now have ample data to answer this question: Ask for DAF gifts. Traditional direct response channels are efficient and effective for soliciting (and re-soliciting!) DAF gifts.

Too often, organizations are worried about confusing or distracting donors who don't use a DAF with language about DAFs in broad appeals and solicitations. And only a few are sending dedicated DAF messaging to their existing DAF and non-DAF donors. However, this study found that the organizations that are most successful with DAF fundraising—and, as a result, benefit from an increasing share of revenue from DAFs—mention DAF giving in marketing materials, or explicitly encourage people to use a DAF, in all (or nearly all) donor solicitations.

Consider these nine ideas to strengthen marketing materials for DAF giving purposes:

1. Ensure the website includes a page on DAFs—and that it is easy to find. Including information on DAFs on a “Ways to Give” page is recommended.
 - a. See examples: [American Cancer Society](#), [Susan G. Komen](#), [March of Dimes](#).
2. Mention DAF giving in mail solicitations (e.g., appeals, renewals, even acquisition) and include a URL and QR code that directs to where a donor can give via a DAF on your website.
3. Include a sentence, or even better, a hyperlink, that's specific to DAFs in email appeals.
 - a. For example: “To support us with your Donor Advised Fund, click here”
4. At events, consider a QR code on the big screen and on tables for DAF giving.
5. For peer-to-peer fundraising, educate participant fundraisers on the value of DAF giving for their campaigns prior to launch.
 - a. [Pan-Mass Challenge](#) has seen tremendous growth in DAF giving by training their fundraiser to ask.
6. Target donors with DAF-specific solicitations via traditional direct response channels.
 - a. Try a multi-channel campaign in March that's highly specific to DAF usage. Target known past DAF donors and higher dollar non-DAF donors (donors with an inception gift of \$100 or a highest previous contribution of \$250+) and long-term donors that have shown high retention.

- b. Utilize stand-alone direct mail appeals or email campaigns with a defined case for giving targeted to prior DAF donors.
 - c. Send cost-effective DAF postcard mailings several times a year with a QR code that links to a way to give via a DAF to a wider audience.
- 7. Profile donors or feature testimonials from DAF donors in email or direct mail newsletters as a reminder of this giving vehicle.
 - 8. Encourage donors to schedule a recurring DAF gift.
 - 9. Consider targeted display during key campaigns and seasons to remind audiences of DAF as a giving option.

Optimizing DAF Donor Experience

While DAF donor portals have certainly improved over the past 10 years, the majority of platforms still require 15-20 clicks and multiple redirects from a nonprofit's donation form to complete a DAF gift once a donor is inspired to give. There are several negative consequences for nonprofits as a result of this process:

1. Reduced conversion of gifts initiated via DAFs

It takes significant additional time for a donor to initiate a DAF gift vs. a gift via easy-to-use payment options, like ApplePay or PayPal.

2. Lost donor acquisition

Stripe attributes [81% of cart abandonment](#) to the preferred payment option not being available.

3. Donor confusion around how to select nonprofits when giving via DAFs

Because the donor has to look up a nonprofit beneficiary in their DAF portal by legal name or EIN, they often struggle to select the right organization.

1. One of the study participants shared a story about a board member who made a \$100,000 DAF gift to the wrong organization in their DAF portal because it had a similar legal name.
2. The limited stewardship and post-gift communication for these gifts also contributes to donor uncertainty that their gift got to the right place.

4. Delays and miscommunication

The nonprofit has no idea if or when a DAF gift request has been completed. They are often notified only when the gift arrives at the organization weeks later, and due to limited information associated with DAF giving, organizations often struggle to identify and notify the donor at all.

This can result in awkward interactions with donors trying to confirm gift details or worse, gifts that go unacknowledged!

5. Poor stewardship

Because of the delay in knowing about DAF gifts and the lack of useful contact information, many DAF donors never receive any thank you or acknowledgment at all.

6. Limited re-solicitation

Similarly, if a donor isn't acknowledged because of limited contact information, they cannot be re-solicited either!

It was always assumed that these were necessary challenges of DAF giving, but Chariot's [DAFpay](#) technology has now introduced a DAF payment option that can be embedded anywhere donors can give online. Now, DAF donors can complete a DAF gift in 3 clicks, right at the moment and place of inspiration, without ever leaving your nonprofit's domain.

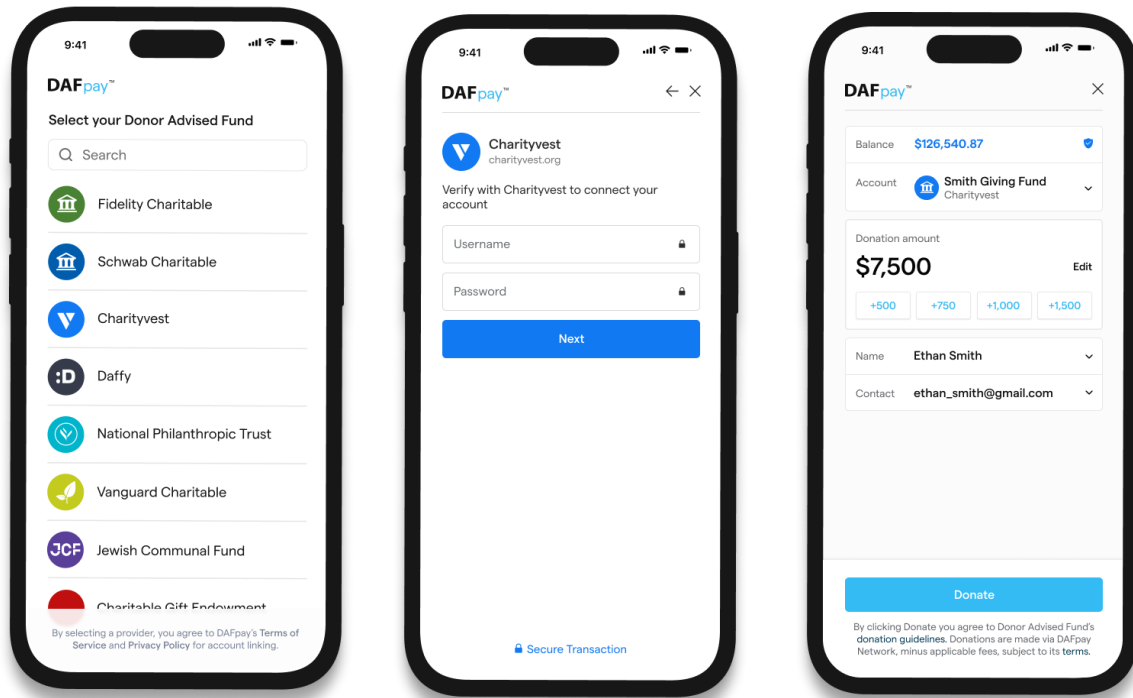


Image displays the three panes of the DAFpay donor experience once a user clicks the DAFpay button in a donation form. They select their DAF provider, securely log into their account and then complete their request. This is all done without any redirects from the original donation form.

DAFpay's easy-to-use payment option has led to:

1. Increased conversion rate, gift size, and overall DAF revenue



CauseMatch saw over 80% of their nonprofits' campaigns receive new DAF gifts with [DAFpay](#) embedded into donation forms.

2. Improved new donor acquisition



March of Dimes saw that 50% of their [DAFpay](#) users were net-new to the organization.

3. A more seamless donor experience



Read how donors find [DAFpay](#) easier than a credit card, covered in [Forbes](#).

4. More rapid stewardship



Read how [Michael J. Fox Foundation](#) took advantage of real-time DAF gift insights for unprecedented donor engagement.

Section 5.3

Unlocking DAF Giving in New Places

Historically, DAF giving has been most disconnected, or left out entirely, from fundraising that is time-bound or time-sensitive. These instances are a common driver of the 21% of DAF donors making gifts outside of a DAF (exhibit 21)—or not giving at all.

Having an embedded DAF payment option in the platforms that facilitate this kind of fundraising has unlocked a whole new opportunity for DAF donors to participate in social fundraising.

1. Peer-to-Peer (P2P) Fundraising Events

Without DAFpay on P2P donation forms, it's very onerous and delayed to attribute a DAF gift to a specific participant's campaign. The donor needs to note the specific participant name or participant in their DAF gift submission, then the organization needs to make a manual entry for an offline gift when the DAF gift arrives weeks later.

The extra steps result in:

1. Reduced DAF donor conversion.
2. Increased opportunity for error in manually entered data.
3. Delayed impact of the gift on the momentum of a time-based campaign.

[Pan-Mass Challenge](#), a P2P bike ride across the state of Massachusetts to benefit the Dana-Farber Cancer Institute and the largest athletic fundraiser in the country, implemented DAFpay across all participant fundraising pages at the start of 2024.



As of July 23, 2024, they had raised **over \$2 million from over 3,000 different gifts through DAFpay** in 2024. When comparing their year-over-year performance, they found DAFpay helped drive a 30% increase in DAF funding and DAFpay gifts make up over a third of all DAF revenue. Growth in DAF giving accounts for 57% of their year-over-year growth in total revenue.

2. Crisis Response

Without DAFpay in crisis response fundraising, organizations addressing the crisis don't even know a DAF gift has been made until it arrives weeks later. They aren't able to include it in their real-time response and, depending on the exact crisis, the money can't even be used in the immediate response it was given for. Despite these challenges, we know that moments of crisis are highly motivating for DAF donors that can be better harnessed.

[GoFundMe](#), a key facilitator of crisis response crowdfunding among individuals, added DAFpay to all of their fundraising pages for 501(c)3 organizations in May 2024. This includes fundraising for GoFundMe.org, their 501(c)3 nonprofit partner entity that facilitates giving for rapid crisis response. In 2023, during the Maui wildfires,



they were able to take in donations and disburse cash where needed most **within 36 hours**.

Going forward, donors will be able to easily deploy their DAF funds through DAFpay on GoFundMe and be a real-time part of crisis response.

3. Giving Days

Giving Days have similar challenges as P2P fundraising, but have even more time sensitivity given they are limited to a single day. Getting a DAF gift included in a Giving Day total requires several extra steps of outreach, resulting in many DAF donors giving with a credit card instead, just to be a part of the moment.

[Community Rowing Inc.](#) has now used DAFpay in their Givebutter donation forms for two annual Giving Days in a row. In 2023, DAFpay gifts made up 14% of online revenue and in 2024, DAFpay gifts made up 31% of online revenue—helping to drive a 52% increase in total revenue year-over-year. They are securing more, and larger, DAF gifts by making it easy to be a part of the giving day’s momentum.



4. Events

Events that have a live or in-person giving element typically rely on real time momentum to drive maximum participation. Common tactics include a “donation” auction (calling for additional donations by size category), a donation tally on a big screen, a QR code for easy mobile giving, etc.

With DAFpay, donors can make those real-time gifts with their DAF while fully participating in these momentum-based experiences. Jewish Family Services of Dallas held their annual luncheon and included a QR code to DAFpay on the big screen during the event for the first time.



**Jewish Family Service
of Greater Dallas**
An open door to all in need

They got six DAF gifts at that moment for \$10,000, which made up 30% of their total raised on the spot. Half of those DAF donors were brand new to the organization, brought as guests to the event.

Section 6

Conclusions

Section 6.1

Biggest Learnings & Goals for 2025

Given the trends reported in other industry outlets on the increase in DAF giving behavior, we were eager to understand that in a more granular manner from the nonprofit perspective. We are excited about the trends we see in growth in DAF giving happening organically, and in many instances, happening because of intentional fundraising strategies by nonprofits.

Our biggest takeaways from the study lie in the opportunity for nonprofits to increase their wallet share with DAF donors. That additional revenue can further enhance their missions and drive meaningful impact in local communities and around the globe.

Our Biggest Learnings

1. There is tremendous value to nonprofits when their donors begin using a DAF to support their mission. We saw this play out in the KPIs that the nonprofit industry most often benchmarks against - average gift size and gift frequency increase after a donor makes a DAF gift.
2. DAF giving translates to increased financial stability for nonprofits, as DAF donors donate so much more and have significantly higher retention. This is especially important given the decades-long trends in shrinking file sizes and declining retention.
3. Few organizations have robust DAF strategies in place. At best, there are periodic communications (post cards, emails, etc.) encouraging DAF giving on a mass market basis, but in most cases, DAF giving is an afterthought in outbound marketing and on websites. There is a massive, and largely untapped, opportunity to focus on, and strengthen, DAF fundraising.
4. Because of the rapid increase in DAF giving, data management practices must be developed, agreed upon, and implemented. Consistent business rules on how DAF giving is captured and tracked are critical - not only for studies like this, but also for organizations to ensure high quality stewardship and donor management of this important and committed group of supporters.

Goals for 2025

As we look ahead to 2025, we look forward to including more nonprofits in the study and ensuring greater representation across nonprofit sectors. We are particularly eager to include faith-based groups, higher ed and education organizations who receive great benefit from DAFs.

Given the data challenges identified in this study, we are also committed to improving data collection, coding, and business rules to ensure that we can look more deeply at different types of data to understand more about the nuanced behavior of DAF donors.

We still have many questions about whether and how different outbound marketing strategies inspire DAF giving, the impact of channel and message type, and how those affect mission-based vs. episodic giving.

In addition, we are eager to understand those comparisons for non-DAF donors as well - expanding the data set requested to improve how we compare DAF and non-DAF donor giving based on the channel engagement and types of giving.

Section 6.2

How to Get Involved

We welcome new participants in the 2025 edition of the study and hope to greatly expand the list of participants and total data set.

There are two key steps you can take before the official application opens in January 2025.

1. Indicate your interest in participating [here](#).
2. Start auditing and updating your DAF data practices to align with our best practices today. There will likely be some cleanup work needed to ensure your data set can be compared and analyzed with the group.

Section 6.3

Acknowledgments

First and foremost, thank you to all the participating organizations and the teams that worked hard to prepare the data for this study. Without your data and generous time commitment, this study would not exist.

We also owe individual thank yous to:

1. Matthew Dubins from [DonorScience](#) for all the hard work on the analysis.
2. [Val Vierengel](#) on the K2D team for the work to project manage this massive undertaking.
3. [Max Nussenbaum](#) for the design assistance in creating the visuals for the report.
4. [Drew Schneider](#) on the Chariot team for the support implementing the digital elements.
5. [Sarah Sassoon](#) on the Chariot team for the editing support.

Appendix

Comparable Research & Reference Materials

DAF Research Collaborative

dafresearchcollaborative.org



National
Philanthropic
Trust

nptrust.org/reports/daf-report/

 **FIDELITY** Charitable®

fidelitycharitable.org/insights/2024-giving-report.html

F R E E W I L L 

DAF Survey of Nonprofits

nonprofits.freewill.com/resources/reports/2024-daf-report

Key Terms

DAF Account

When we're referring to an individual (which we'll use generally to mean a person, couple or family) using a DAF, we'll say a "DAF Account" to be more specific. The DAF is the aggregate entity, but typically thousands of people have accounts with the same DAF.

DAF Donor

We're referring to the individual with a DAF account. It's important to remember that they are technically "advisors" to the DAF and make "recommendations" on grants to disburse from the account they opened, but functionally they act like donors and we refer to them as such.

DAF Provider

An institution that offers DAF accounts to DAF donors and manages the accounts. For financial institutions that offer DAF accounts, the DAF Provider must be a partner 501(c)3 entity (like Fidelity Charitable with Fidelity).

Non-DAF Donor

An individual giving through other means than a DAF, such as credit card or check.

DAF Donor Conversion

When a donor goes from non-DAF giving in one year, to using a DAF to support the same organization in the next year.

Weighted Average

For analysis done on the behavior of DAF donors in aggregate (average gift size, changes from DAF Donor conversion, etc.), which are not as representative of an individual organization's year to year performance, our primary analysis is done on all DAF donors in the study in aggregate. This effectively "weights" the results to larger organizations because more of the donor data or gifts are attributable to them.

Unweighted Average

We focused on unweighted averages of each organization's results for any calculations of market changes (change in DAF revenue, Change in DAF donors, Change in number of DAF gifts, etc.). For example, when analyzing DAF Revenue growth in 2021, we would take the average of each of the 20 participating organization's results for that year - putting equal weight on each participant, regardless of their size. Otherwise, the results can be extremely biased towards the results of a few extremely large participants.

Median

In order to establish useful benchmarks, we also leverage medians and percentiles regularly to give more context on the exact distribution of study participants.

Revenue

We use the term revenue to refer to total giving (either DAF or non-DAF) from individuals provided by participating organizations. This does not include things like earned revenue.

Methods of Analysis, Exclusions, & Limitations

We generally used counts, proportions, medians and averages to analyze the data set. We also looked at year over year or multi-year growth rates for key figures, changes in proportions (for share of revenue) and averages or medians of proportions and growth rates at each participating organization.

Sections 3 and 4 leveraged these more straightforward methods of analysis, while section 4 was a bit more complex. To understand what changes the use of a DAF drives for existing supporters of an organization, we isolated only unique donor IDs that had at least one year of only non-DAF giving to an organization, then started using a DAF in a subsequent year. To compare

behavior before and after that change, we took an average of total annual support of any years prior to the year they first used a DAF vs. an average of total annual support in the years following their first DAF usage—including the year when the DAF was first used.

There is a significant amount of variability in how organizations are currently tracking DAF giving (as described in great detail in Section 5). This required a significant amount of data review with the following decisions made to exclude certain data from various pieces of the analysis.

Exclusions

1. There were some organizations that applied, but were not accepted into the study because they were unable to provide unique donor IDs to make year over year comparisons of donor activity.
2. Four participating organizations did not provide a full Five years of data. For any figures that show a Four year change (between 2019 and 2023), that data only includes 16 participants.
3. We ultimately decided to exclude analysis done by industry (health, animal welfare, human rights) because of extreme dispersion in organization size and relatively small data set in each category. We found the analysis by organization size was more insightful given the members of each size bucket were more comparable in their fundraising activities.
4. Several participants included data flagged as a DAF gift, but the provider listed was not a provider of individual DAF accounts (such as employee matching entities, crowdfunding platforms, etc.). We excluded these gifts from the DAF data set.
5. Several participants had individual donor IDs with hundreds of gifts and the same DAF provider. We deduced that these were all anonymous or unidentifiable gifts, so we excluded any donor ID with more than 75 DAF gifts from all analyses of individual donor activity (gift size, frequency, retention, etc.).
6. In order to achieve a more representative analysis of individual giving, there are several parts of the analysis done excluding gifts over \$25,000 - both DAF and non-DAF. This is always noted when that is the case.

Limitations

1. Because Donor IDs were unique to each organization, we were not able to tell which donors supported multiple organizations in the study. It is possible that the aggregate Unique Donor figure contains some duplicates that were donated to multiple organizations.
2. This is still an emerging field for most organizations and the data tracking practices range significantly. There were a number of quality checks and data clean ups we performed across the data set, but there is still room for improvement in the source data provided.
3. We can't disclose the results of any single organization or provide too much detail on notable outliers, but sharing more of this detail would enhance the overall analysis.
4. Giving type categorization wasn't comparable between enough organizations to break down "non-DAF giving" into something more specific (mail, events, website, etc.)
5. There's likely some self-selection in the donors who use DAFs, so it is a justifiable critique to ask "how much of the larger gift sizes can be attributed to the use of a DAF or that the audience who uses DAFs is just more generous?" That's why the comparison of pre-DAF giving and post-DAF giving in Section 4 is such an important piece of the overall analysis.