



**What's a DAF?** Donor-Advised Funds (DAFs) are accounts administered by a charitable foundation, national financial service provider (e.g., Fidelity), or single-issue institution for philanthropic giving. Donors irrevocably contribute money or a diverse array of non-cash assets (art, stocks, cryptocurrency, real estate, etc.) to DAFs and realize tax advantages immediately. Donors retain advisory privileges and often make non-binding recommendations on where DAFs distribute their contributions to non-profit organizations.

**How Important Are DAFs to My Organization?** The rise of Donor-Advised Funds in number and role in charitable giving has rapidly expanded at a time when the impact of traditional foundation grants has plateaued. The importance and direction of DAFs can be expressed in several ways:

- More than \$250 billion were held by DAFs in 2023
- Over 17%—over \$2 billion—of charitable contributions passed through DAFs in 2022
- There are nearly two million DAFs in existence
- Over three-fourths (76%) of respondents in a recent survey said that DAFs are becoming more important to their organizations in 2024 ([link](#))
- Total contributions by DAFs in 2022: \$85.5 billion (Fidelity contributed \$11.8b by itself)

**Are There DAF Misconceptions?** People often believe that DAFs hold onto money too tightly and distribute too little. However, typical annual payouts have been 18% to 28% in recent years. Additionally, in the vast majority (95%) of cases, donors attach their names to DAF donations, dispelling another common misconception about the loss of donor connectivity. DAF contributions are not always tightly aligned with economic conditions: DAF contributions increased by 9% from 2021 to 2022 during the COVID-19 pandemic, while total assets held by DAFs decreased by only 1.1%.

**OK; DAFs are Important. How Can Non-Profits Benefit from DAFs?** Reaching the people who manage DAFs isn't as straightforward or organized as a traditional grant opportunity prospecting effort. Here are some ways to engage DAFs.

1. *Knowledge is Power.* Learn as much as you can about DAFs, especially those active in your geographic and topic areas, and develop a database of contacts you regularly refresh.
2. *Widget It.* Connect your website with links for DAF contributors; consider getting the DAF Direct ([link](#)) or DAFpay ([link](#)) widget to allow donors to make DAF contributions easily.
3. *Network.* If board members or donors are (or know) financial advisors, CPAs, or financial planners, ask them if they are connected to a DAF. Attend or invite them to lunch and social gatherings.
4. *Have a Plan.* Know what you'll say to a DAF contact in advance, keeping it concise and centered on a key message: how can my organization help differentiate you from other DAF accounts?
5. *Help Us Help You.* Non-profit organizations engage community members, including individuals who require financial planning services for themselves or their businesses, thereby serving as a conduit for potential new clients. Stress tangible needs a contribution would help address.
6. *Stay in Touch.* About once a quarter, invite a convention of financial professionals (having a great speaker and offering professional credits helps), send out a newsletter, or forward a potentially interesting article to your network of DAF-fy (you knew it was coming) contacts.
7. *Acknowledgment.* Send thank-you notes to the donor of a DAF gift (if known) or ask the DAF account manager to forward your thank you to an anonymous donor.

*Contact WriteAngle for more resources to help you get started on your DAF-enhanced fundraising efforts.*