



To help sustain U.S. nonprofits during the COVID-19 Crisis, we encourage financial planners to recommend that clients direct grants from their Donor Advised Funds.

As the nation grapples with the COVID-19 health and economic crisis, the 1.3 million charities in the U.S. are facing unprecedented challenges that threaten their ability to deliver critical services, and in some cases their very survival. Most nonprofits rely on contributions and grants from individuals, corporations, and foundations. **On average, three out of every four dollars donated to a nonprofit come from individual donors.**

In recent years, Donor Advised Funds (DAFs) have become a popular way for individuals to channel donations to qualified nonprofits. And because DAFs afford individuals useful tax and other benefits, many financial planners have appropriately recommended DAFs to clients, often referring to them as “charitable savings accounts.” While DAF “sponsoring organizations” technically have control over funds donated to the accounts, in practice it is the individual donor whose advice to the sponsoring organization prompts money to be released to a specified nonprofit.

As DAF accounts have become more popular, they have accumulated substantial assets. As of the close of 2019*:

- **There were about 730,000 DAF accounts in the U.S.**
- **The collective asset base for all DAFs exceeded \$121 billion.**
- **The average DAF account held approximately \$167,000.**
- **While individuals donated about \$37 billion to DAFs in 2019, only \$23 billion was granted out in donations to nonprofits.**

Unlike private independent or family foundations, DAFs are under no obligation to pay out contributed funds in any specific period of time.

With the COVID-19 crisis forcing nonprofits to cut services and staff or even shut down altogether, the need has never been greater for individuals to direct grants from their DAFs to keep our nation’s social sector afloat. Because most individuals with DAFs are clients of financial planners, we believe planners can play an important role in accelerating the release of these funds from DAFs during a time when U.S. nonprofits are needed more than ever.

We encourage CERTIFIED FINANCIAL PLANNER™ professionals and other financial advisors™ to contact clients with DAFs to recommend they direct distributions to help nonprofits survive and continue serving some of our nation’s most vulnerable populations.

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**All DAF statistics provided courtesy of Georgetown University’s McDonough School of Business’ New Strategies Program, an advanced management education program for nonprofit leaders.*