

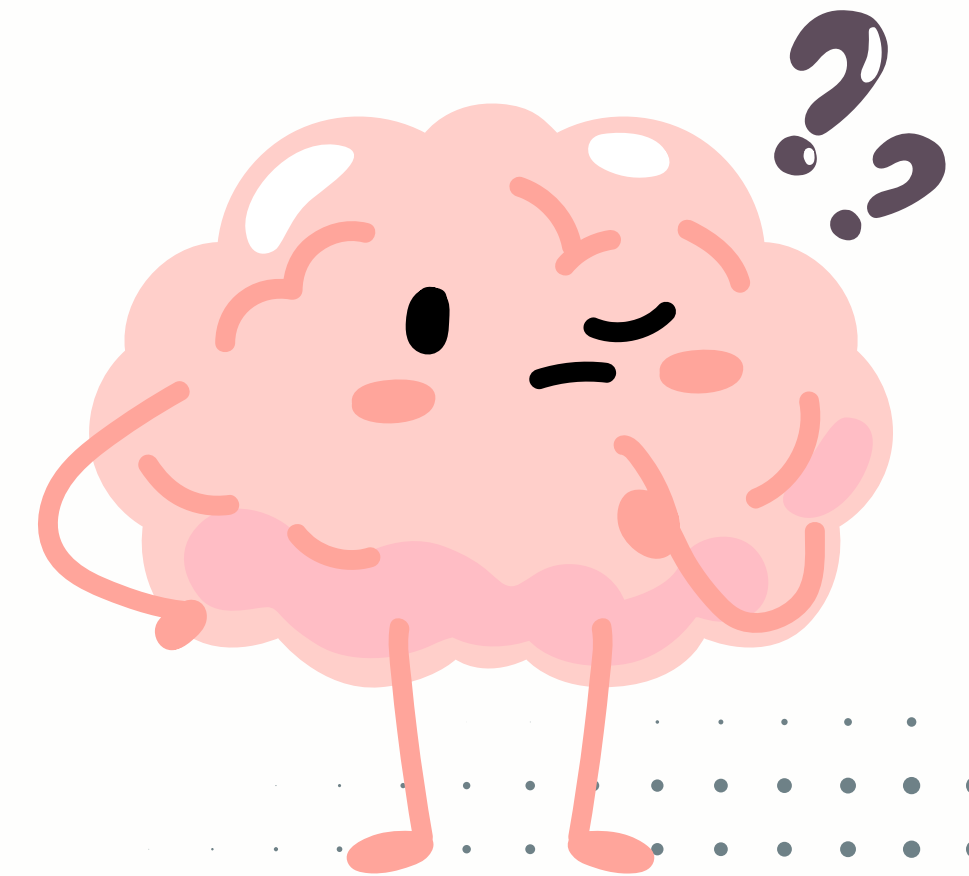


# **UNCOVERING FUNDS IN HARD-TO-REACH PLACES**

**How DAFs Clue Us In to the Possible  
Future of Nonprofit Funding**



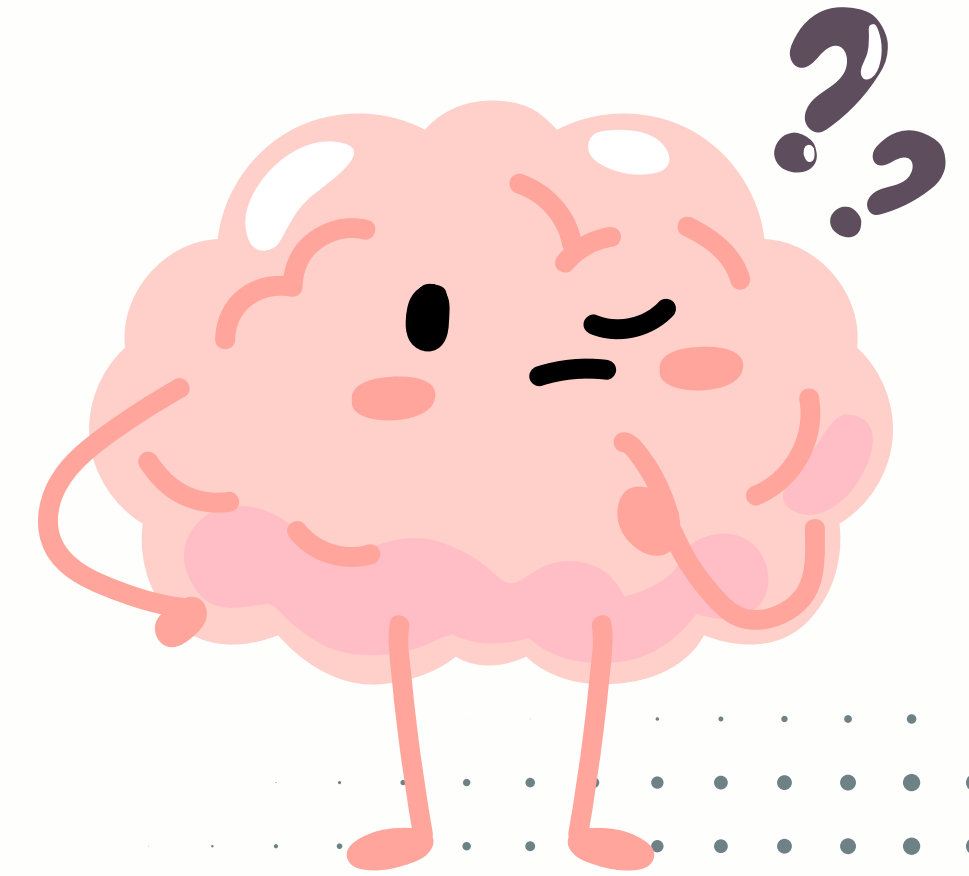
**LET'S TAKE A QUIZ!**



# QUIZ

In 2024, how much money was transacted charitably?

- A) \$327 billion
- B) \$425 billion
- C) \$592.5 billion
- D) \$750 billion



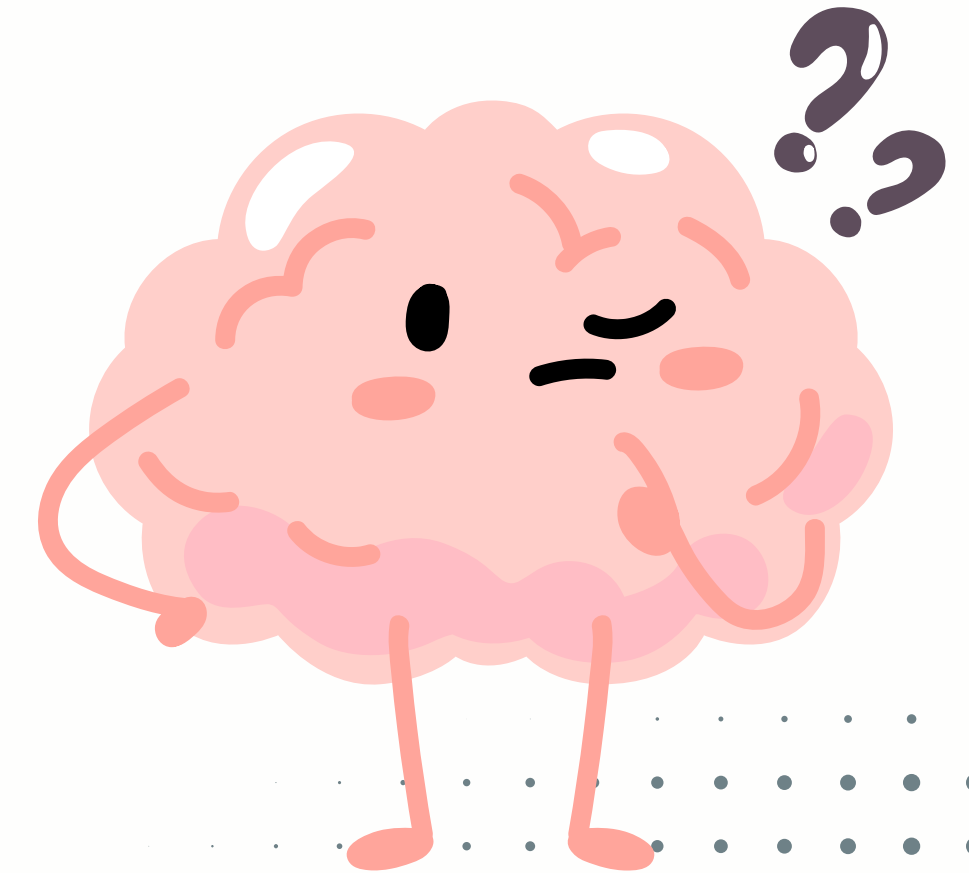
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**(That is more than \$1.6 billion a day!)**

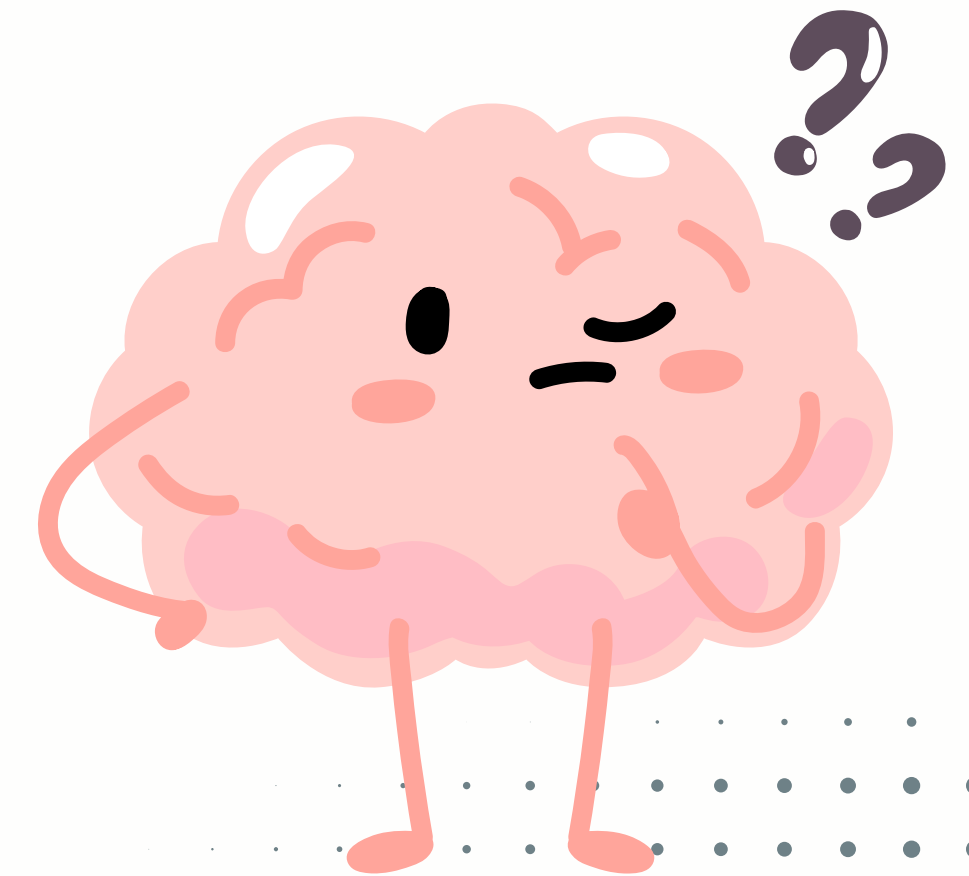
A Village for Good - Patrice Shumate



# QUIZ

What percentage came from foundation giving?

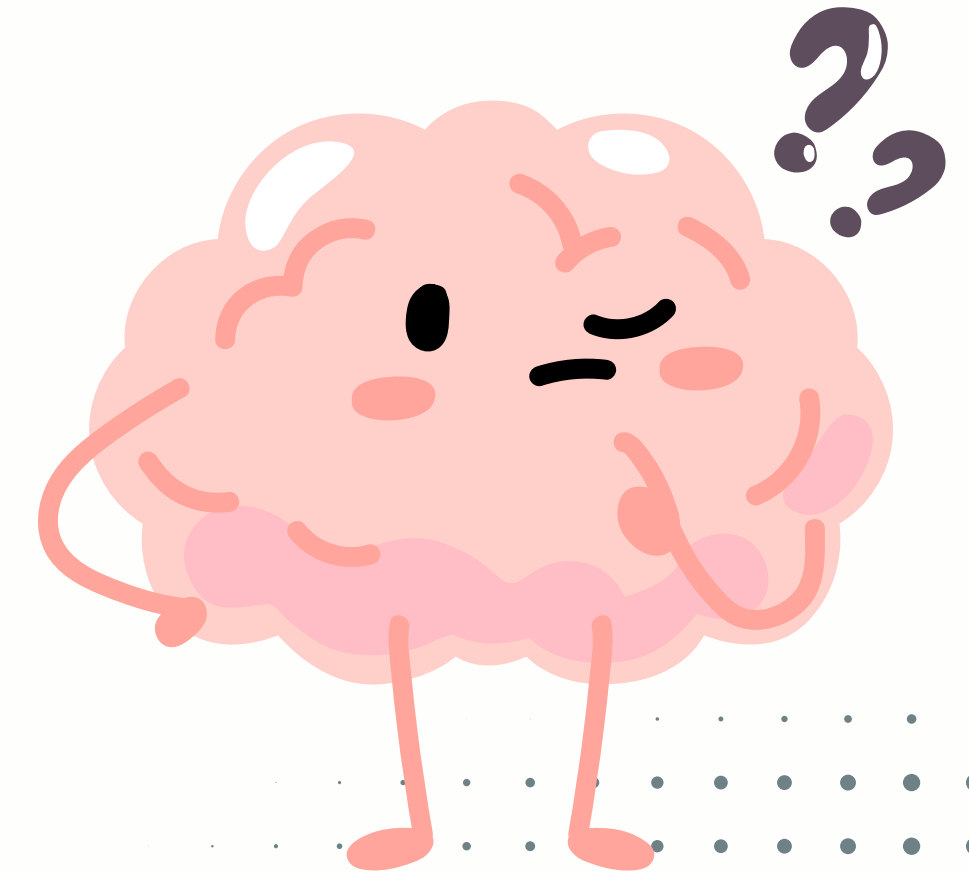
- A) 19%
- B) 31%
- C) 52%
- D) 67%



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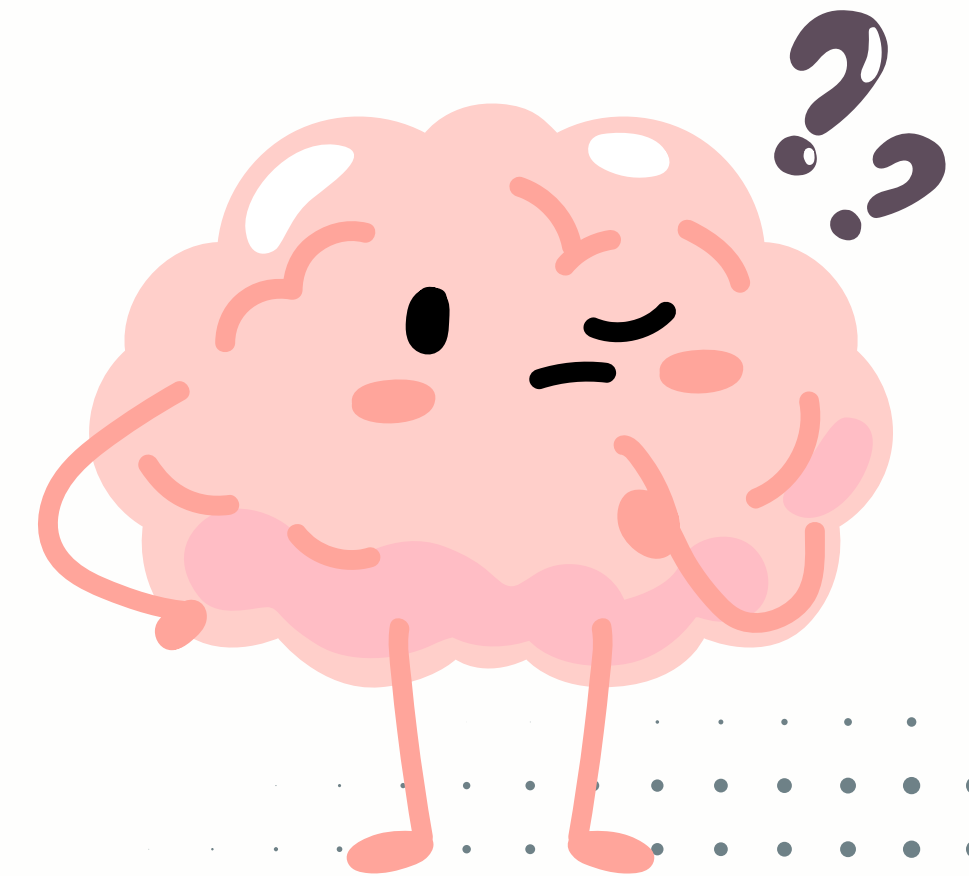
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# QUIZ

Over the last 5 years, has foundation giving been increasing or decreasing?

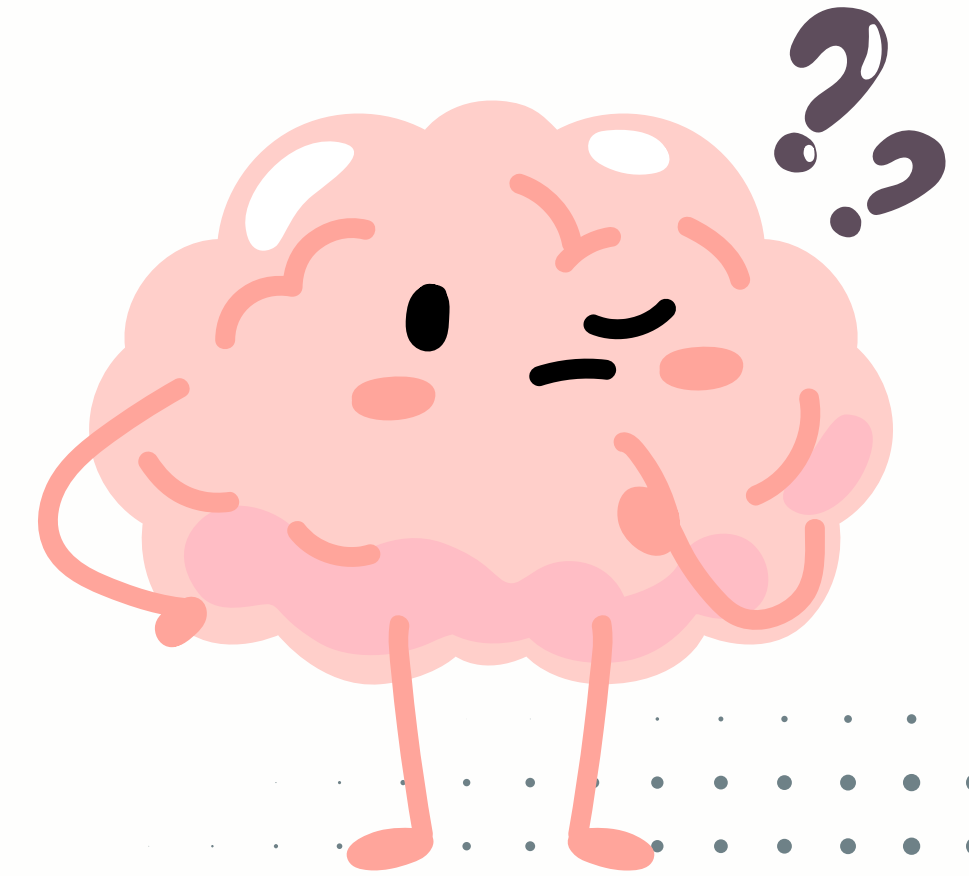
- A) Significantly increasing (10%+ per year)
- B) Modestly increasing in current dollars, but flat when adjusted for inflation
- C) Declining steadily
- D) Volatile—up and down unpredictably



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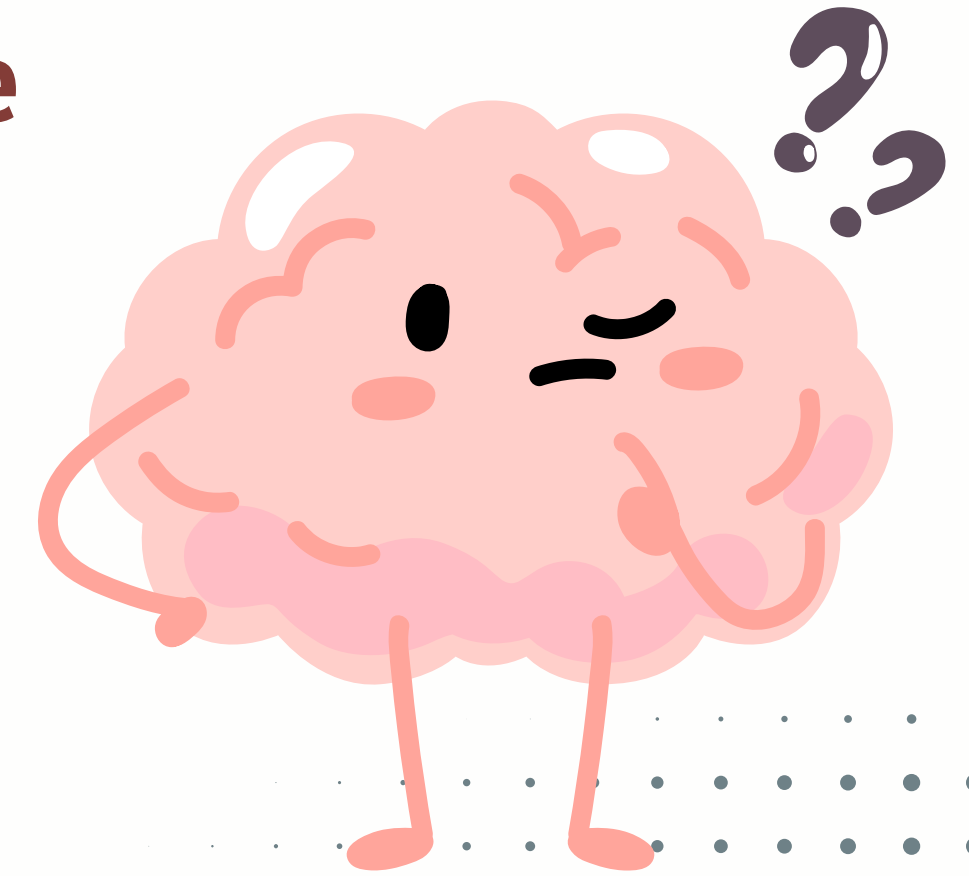
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# QUIZ

How much money is currently held in charitable accounts—foundations, DAFs, and other holding vehicles combined?

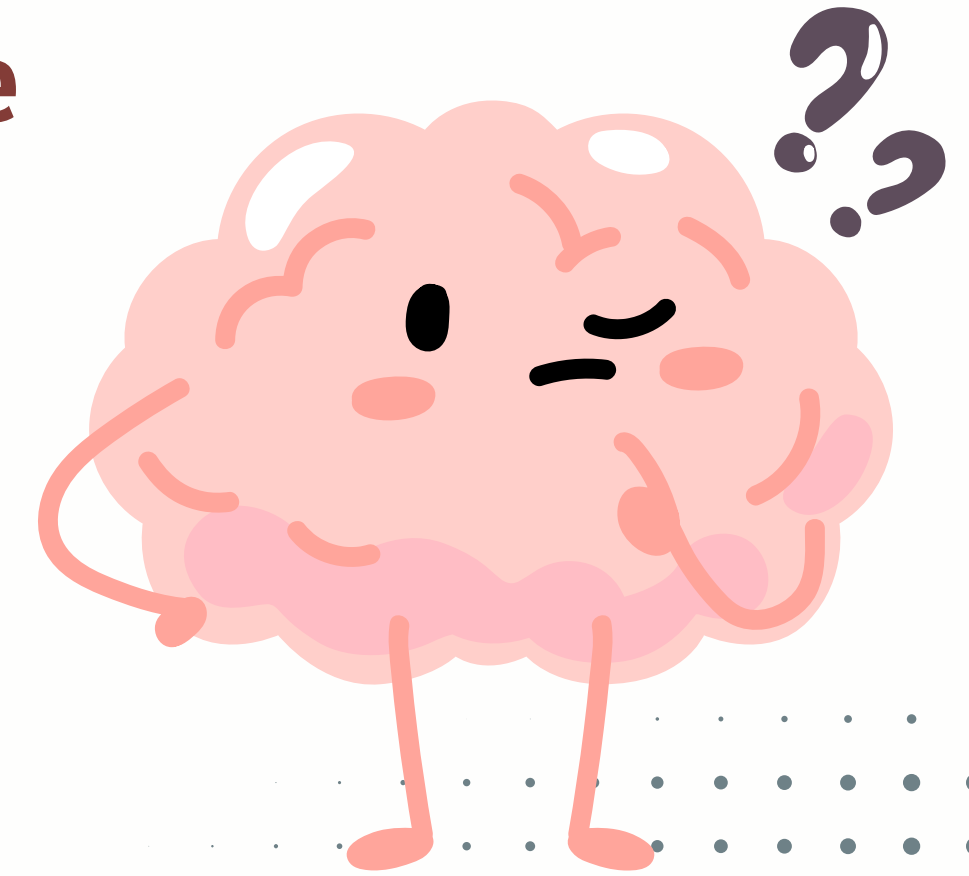
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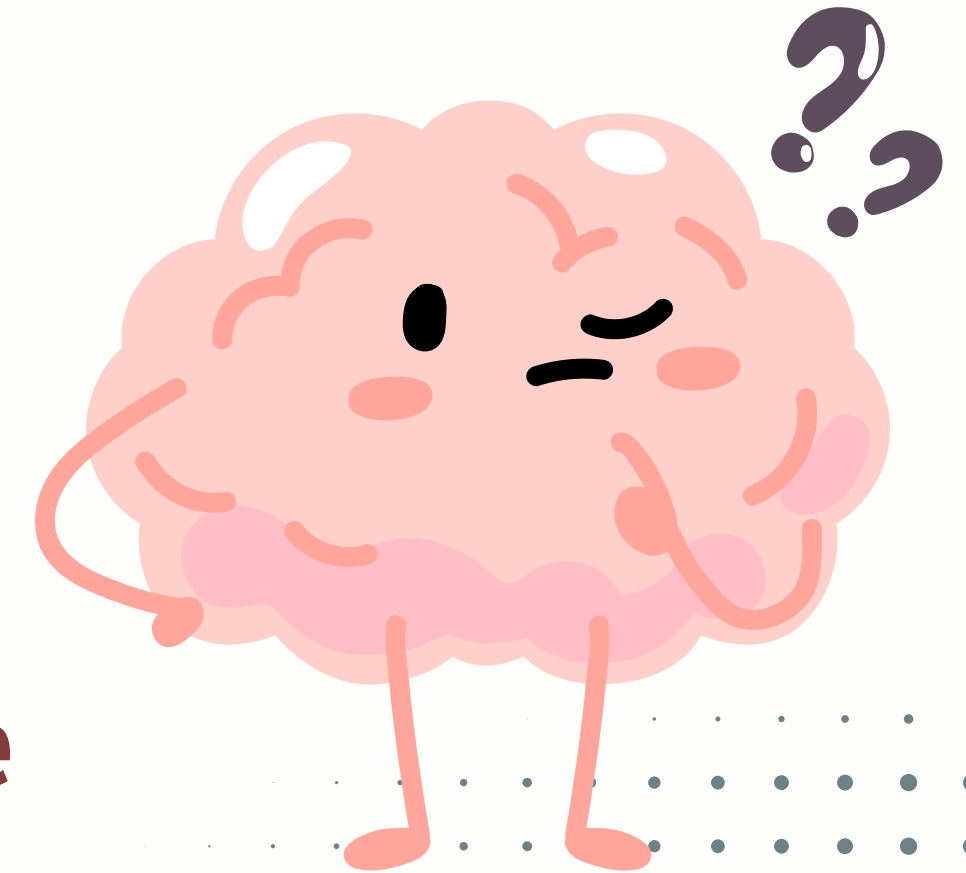
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# FUN FACT

**Foundations plus DAFs took in \$89.64 billion last year but only paid out \$64.89 billion in grants.**

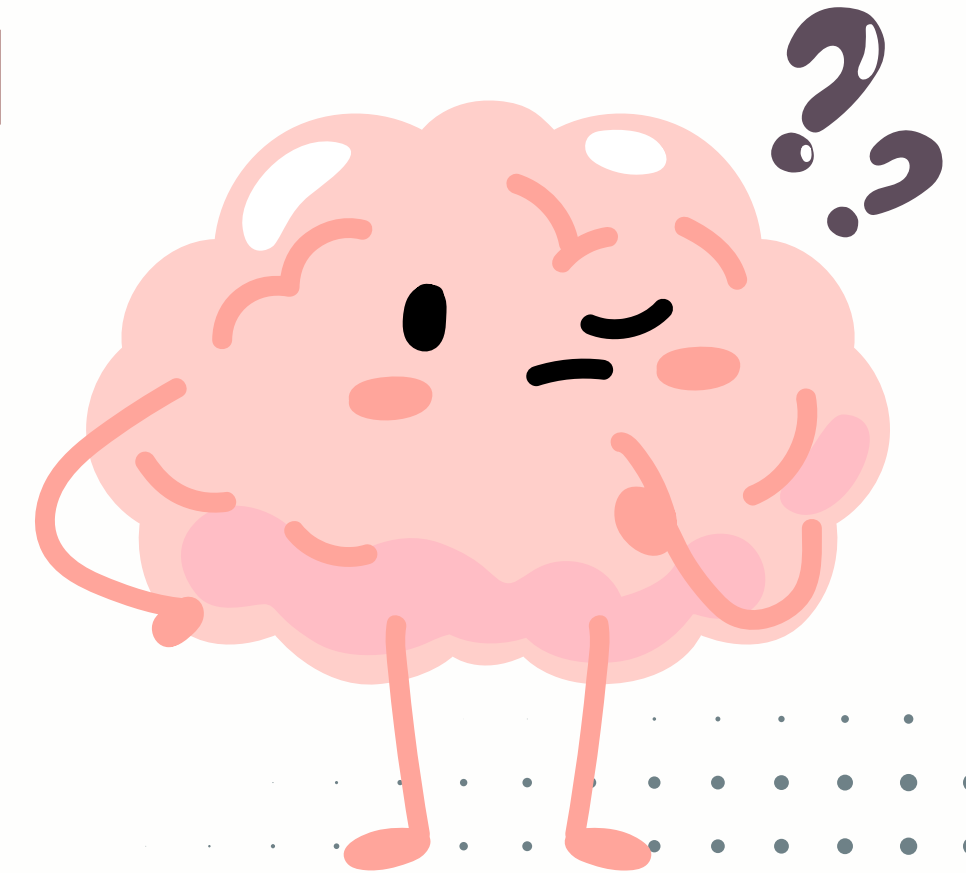
**That's \$24.75 billion added to the holdings. The accumulation rate is accelerating.**



# QUIZ

How many billionaires are there in the United States?

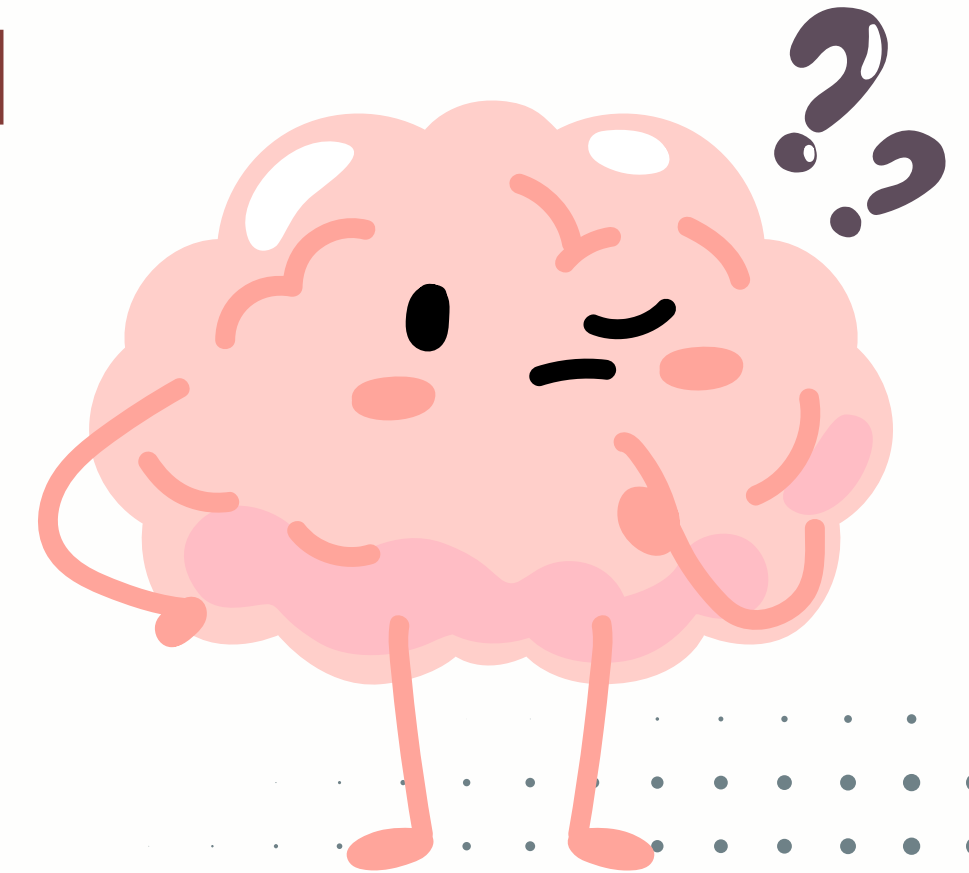
- A) ~405
- B) ~605
- C) ~905
- D) ~1,805



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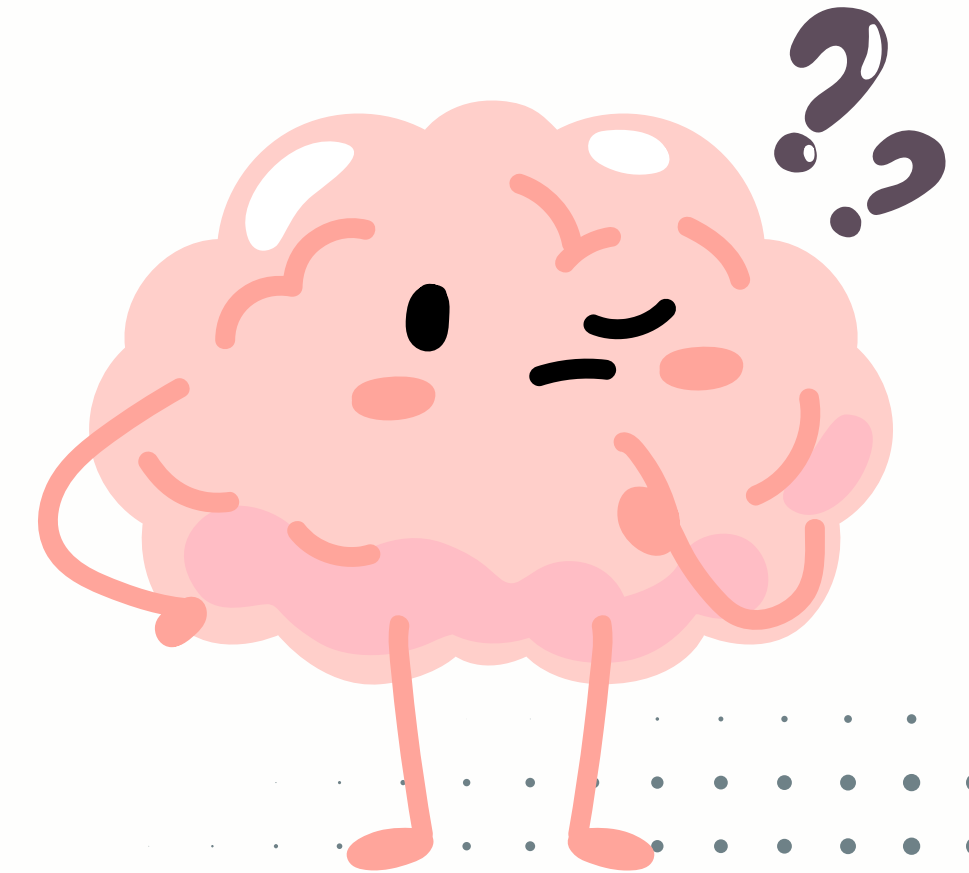
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# QUIZ

What is the total combined wealth of all US billionaires?

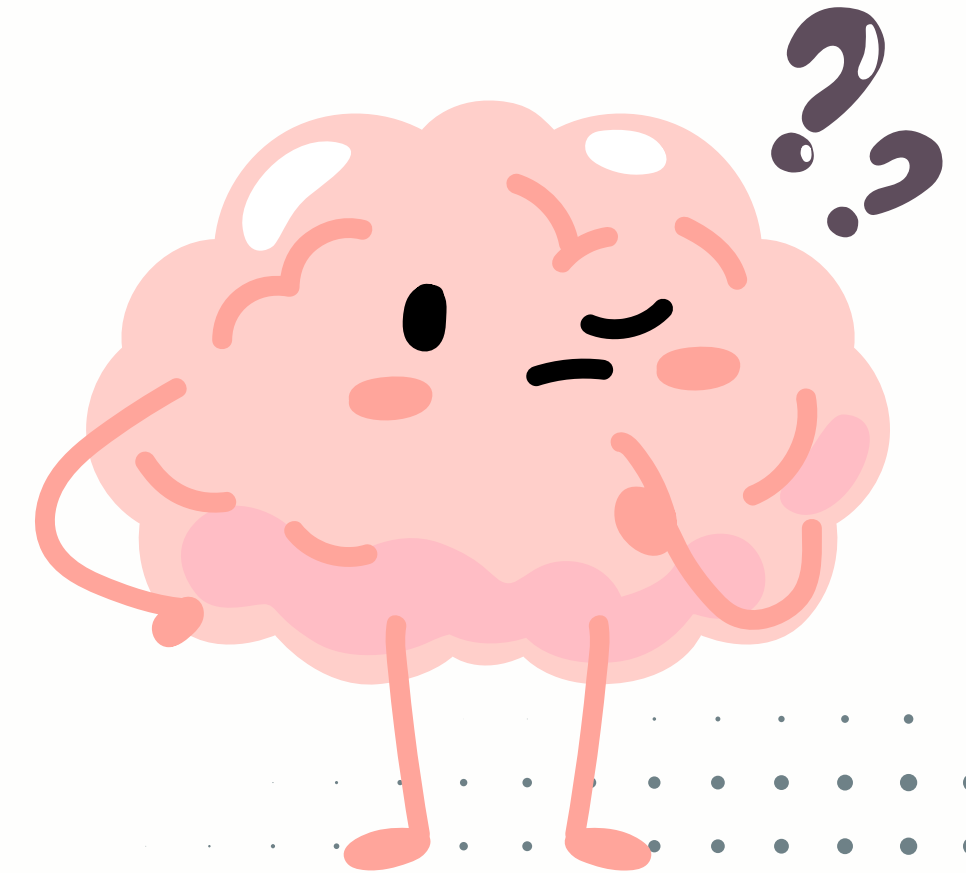
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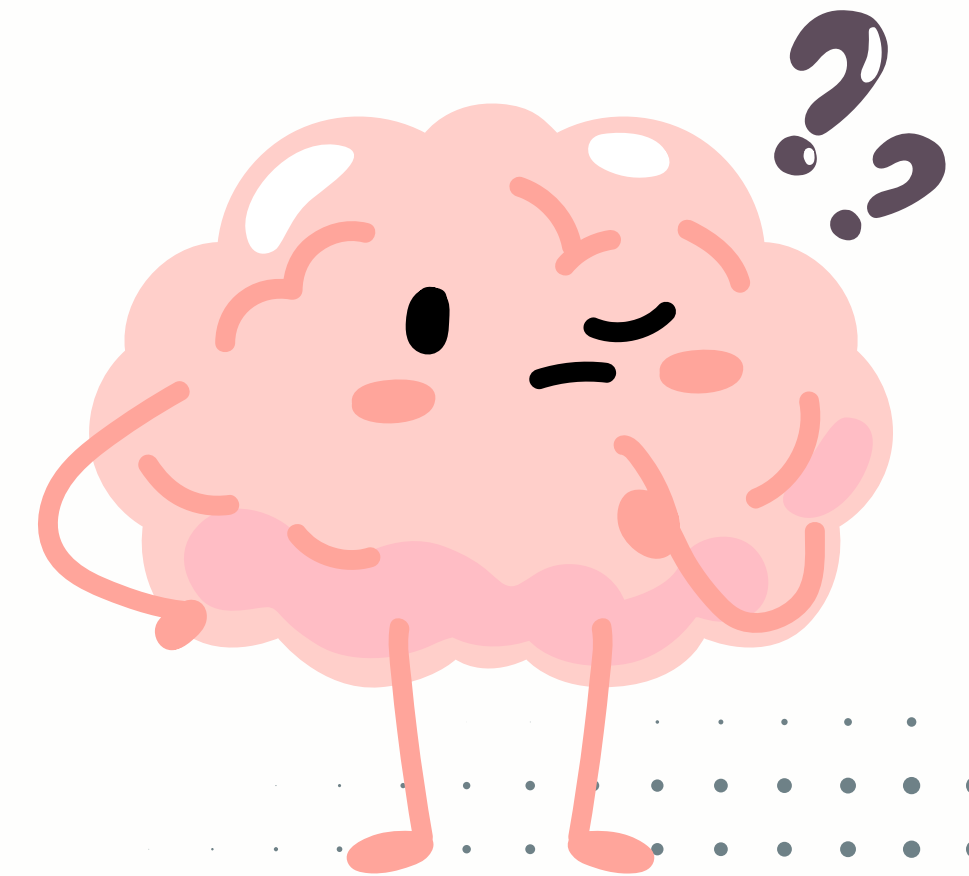
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# FUN FACT

**As of January 2026, the collective wealth of America's top 12 billionaires has surpassed \$2.7 trillion.**

**The US Government spent \$7.04 trillion in FY2025.**





# THOUGHTS

**How do you think billionaires, philanthropists, wealth advisors, and philanthropic advisors think and talk about charitable giving?**

**Why are we trained to only think about 19% of the "giving pie"?**

**Could it help us to know about the rest?**





# LET'S TALK ABOUT DAFS

(AND OTHER CHARITABLE GIVING TRENDS OUTSIDE OF GRANTS)

BUT, WHY, PATRICE?

IT DOESN'T SEEM RELATED TO OUR JOBS





# BECAUSE...

- My clients are starting to get checks from unknown places and they are asking me about them
- Every community foundation and DAF sponsor I have talked to have said that some foundations are moving their assets to DAFS and closing the foundation
- Foundations are overwhelmed with grant requests
- This massive wealth transfer is going to a large percentage of people who do not want to be part of institutional philanthropy
- Our laws have not kept up with extreme wealth accumulation
- I found an open application for a DAF!



# BECAUSE

## ● Grant World

**“Stay in your lane. Master grant funding. Follow the rules.”**

## ● Philanthropic World

**“Let's change lanes and make new rules.”**



# DAF BASICS

**A Donor-Advised Fund (DAF) is a charitable giving vehicle where donors contribute assets (cash, stocks, real estate, etc.) and receive an immediate tax deduction. Funds are granted to eligible nonprofit organizations.**

## Donors

Individuals, families, and businesses. Typically high-net-worth individuals who want an efficient way to manage their charitable giving. Primarily white donors.

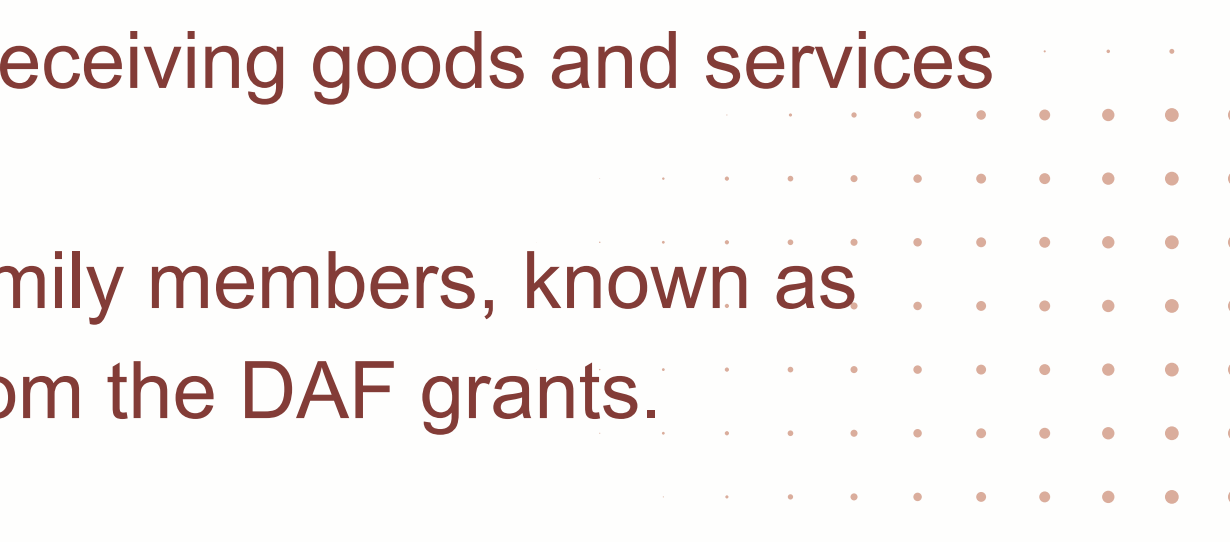
## Sponsors

A 501(c)(3) public charity that manages and administers DAFs. Legally in control of the funds and charitable transaction.



# DAF BASICS

## DAF Regulations

- No mandatory payout rate: Unlike private foundations, which are required to distribute a minimum of 5% of their assets annually, DAFs are not currently subject to a mandatory annual payout rate - though, some data shows active DAFs payout 9-25%.
  - Sponsor organizations may establish internal policies encouraging regular disbursements, but they are not legally required to meet a specific threshold.
  - Prohibited benefits: Neither donors nor related parties can receive any direct or indirect benefit from the DAF, such as satisfying a personal pledge or receiving goods and services in exchange for the grant.
  - Family members and disqualified persons: Donors and their family members, known as "disqualified persons" in IRS terms, cannot receive a benefit from the DAF grants.
- 

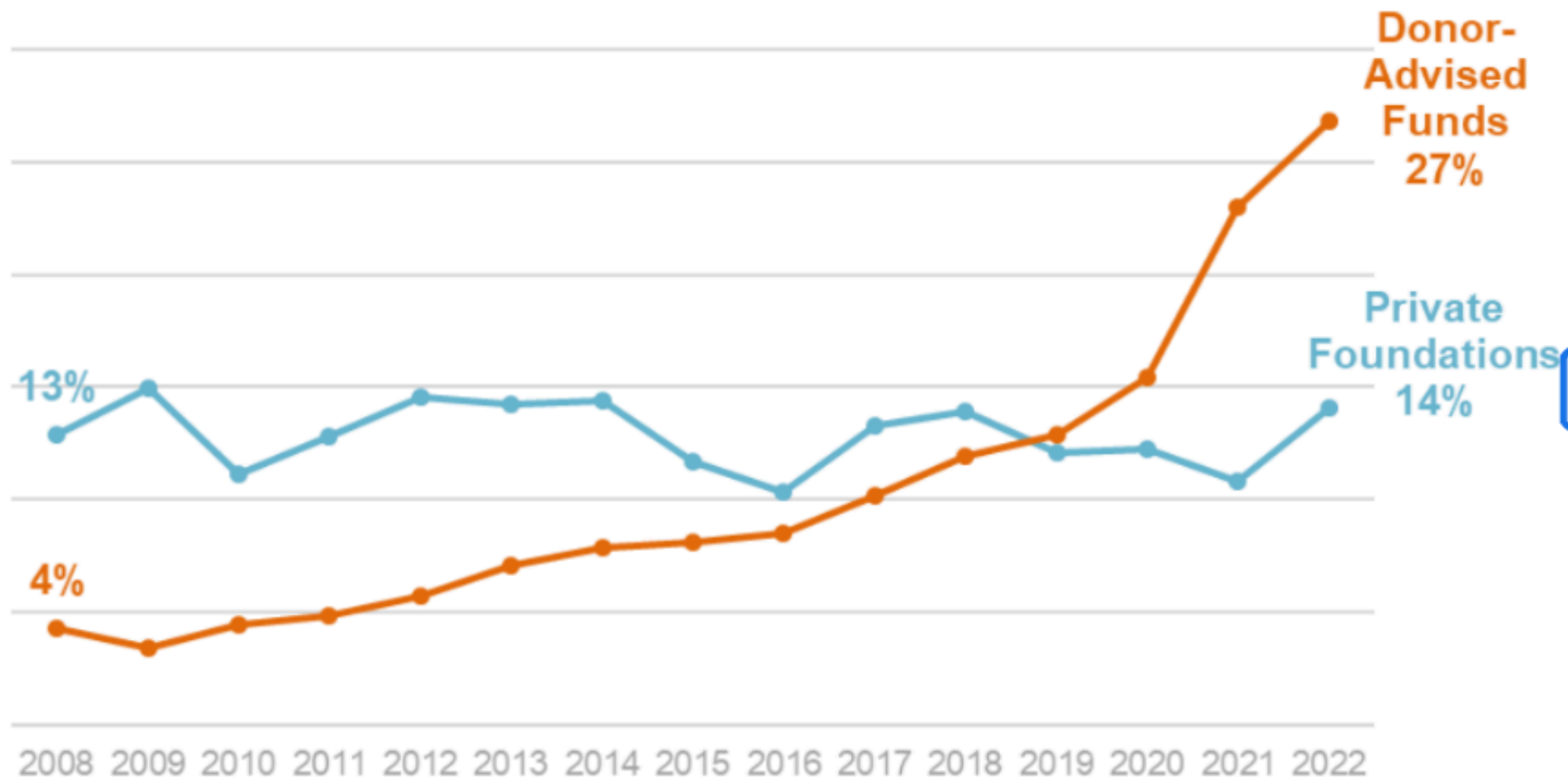


# DAF TRENDS

## Rise in Money Going Into and Out of DAFs

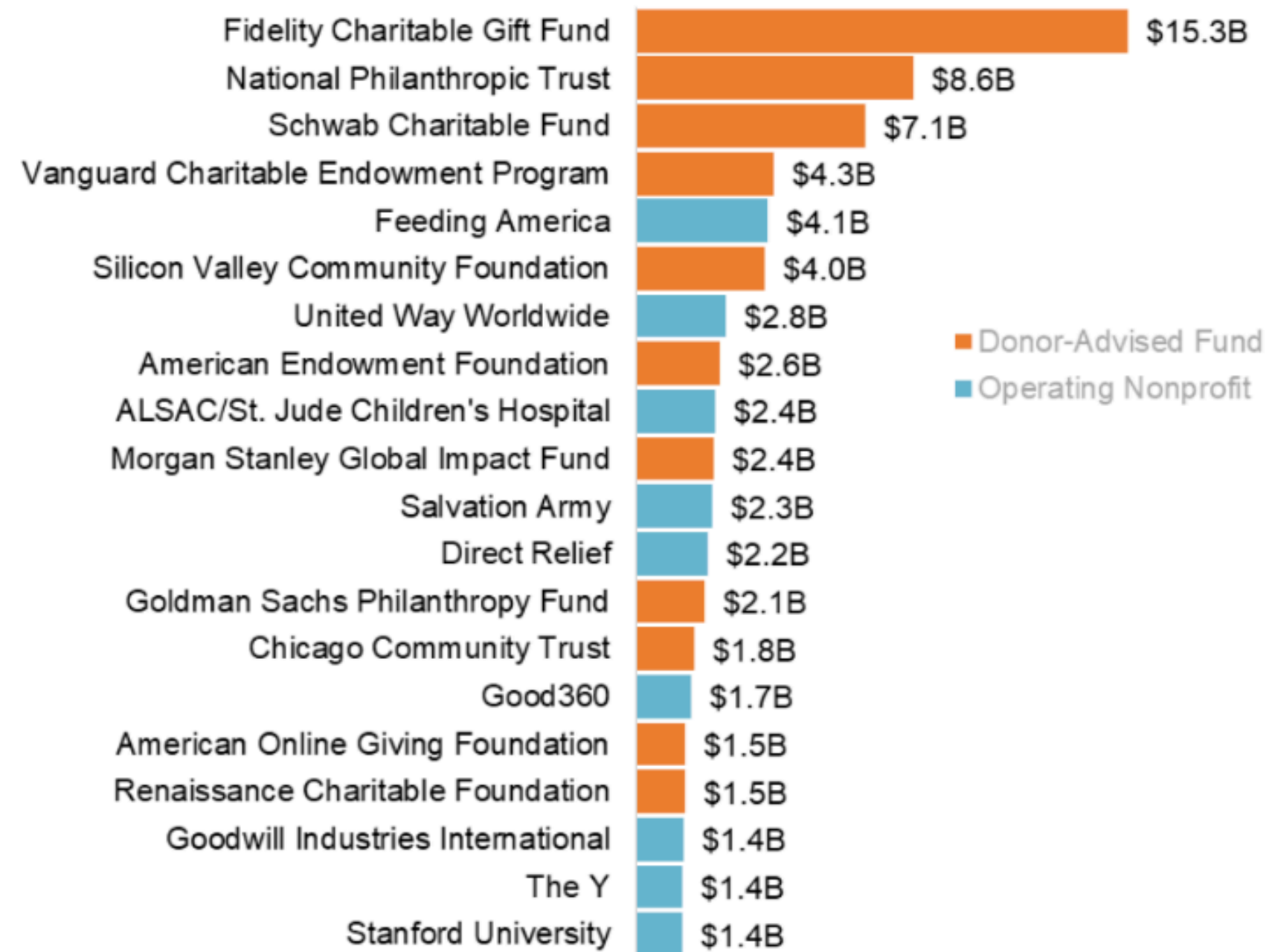
- \$230 billion DAF market has been expanding exponentially, +20% on average per year over the past 5 years
- Contributions to DAFs reached \$85.53 billion in 2022, representing a 9% increase from the previous year.
- Grants from DAFs to charitable organizations also rose, totaling \$52.16 billion, another 9% increase from 2021. This marked the first time annual DAF grants surpassed \$50 billion.
- Number of DAF Accounts: In 2010, there were approximately 180,000 DAF accounts. By 2023, this number had surged to 1.95 million accounts, representing a 975% increase
- Charitable Assets: In 2012, the assets held in DAFs were approximately \$45 billion. By 2022, this number had risen to \$228.89 billion, a growth of over 400%
- Grants: In 2012, grants from DAFs amounted to around \$9 billion. By 2022, grants reached \$52.16 billion, marking an increase of over 480%

## Percent of U.S. Individual Charitable Giving Going to Private Foundations and Donor-Advised Funds



Sources: DAF giving is from the National Philanthropic Trust. Foundation giving is from *Giving USA*, minus the amount the NPT reported as being given to community foundation DAFs (to avoid double-counting that revenue).

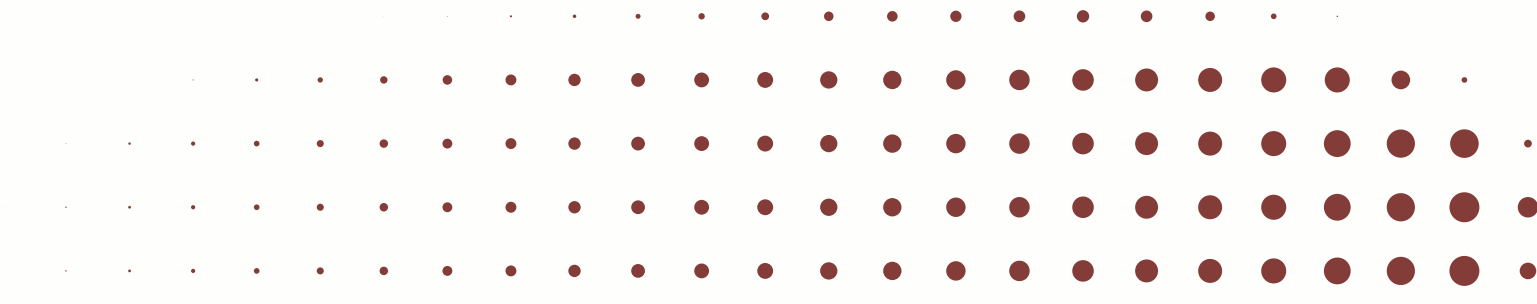
## 20 U.S. Charities Receiving the Most Contributions in 2021



Sources: Estimated university contributions are from Bloomberg's list of top university fundraisers. Estimated non-DAF, non-university contributions are from Forbes' list of America's Top 100 Charities. DAF contributions are from IPS analysis of tax form 990s of DAF sponsors, publicly available from the Internal Revenue Service.



# WHAT DOES THIS TELL US?

- 1** The rules are not made to benefit working charities (or grant professionals)
  - 2** Where money sits and how money flows is changing around us
  - 3** The pot of money we are experts on might be decreasing
- 



**WHAT ABOUT OTHER TRENDS?**

**I AM SO GLAD YOU ASKED!**





# HARD TO REACH PLACES

## ● Impact Investing

Capital deployed to generate both financial returns AND measurable social/environmental impact

## ● Loans/PRI's

Investments made by foundations to support charitable activities, with potential return of capital over time; count toward required 5% annual distribution

## ● Earned Income

"70% of nonprofit revenue comes from earned income"

## ● Collective Giving

Groups of donors pool resources to make bigger grants together

## ● Employee Giving

Companies encourage charitable giving from employees and provide incentives - often funneled through a DAF

## ● Should Grant Pros be trained on these places?






# YES, BECAUSE...

- **Wealth managers and financial advisors are reshaping how "charitable capital" flows**
- **Concentrated wealth is growing and it relies on direction from advisors**
- **Grantmaking is becoming one of the most expensive and burdensome ways to deploy funds**
- **Grant professionals speak in terms of: RFPs, application cycles, donor intent, capacity**
- **They speak in terms of: returns, risk, financial structures, impact measurement**
- **Grant funds don't have to exist.**

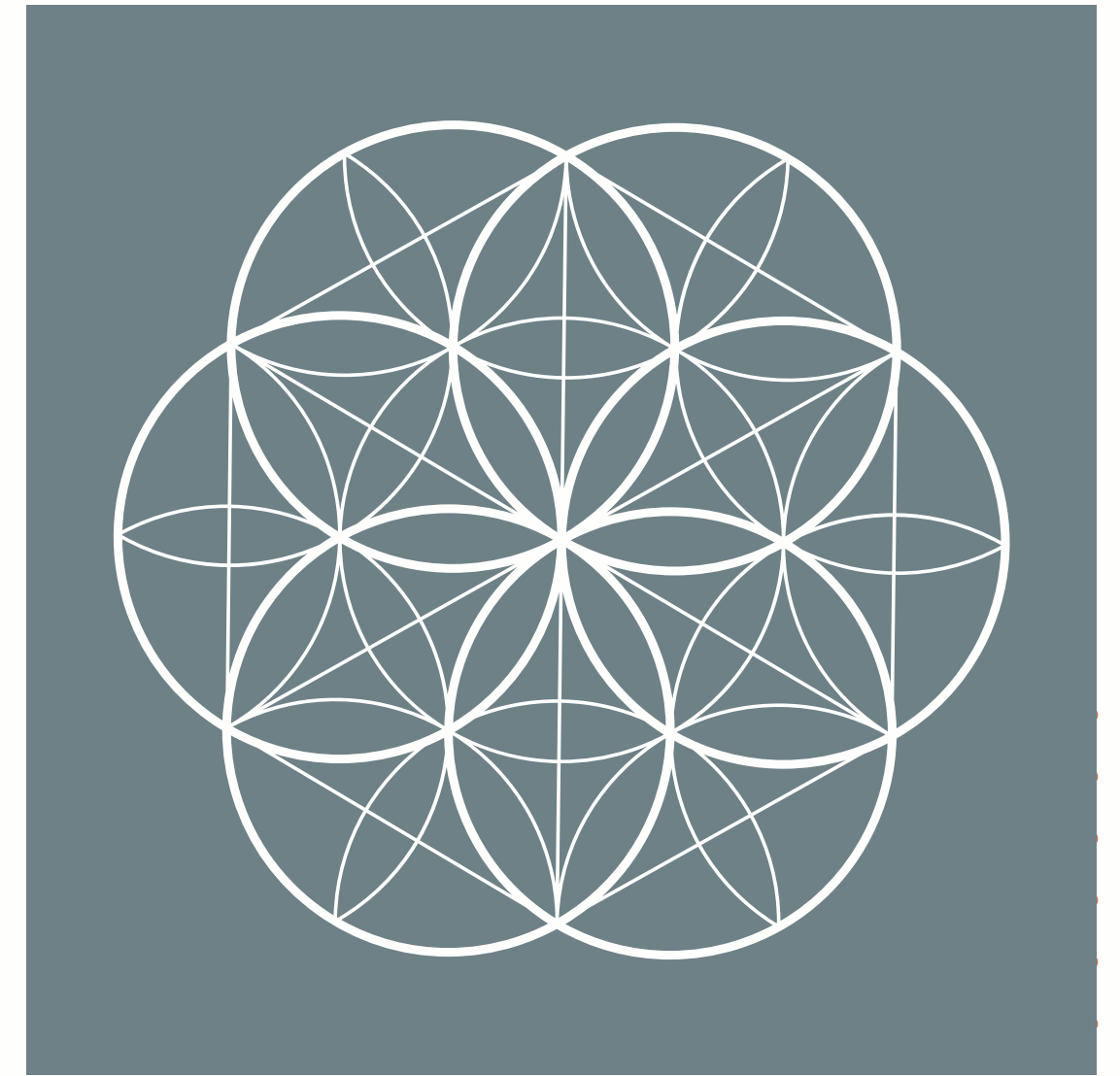


# WHAT ARE WE MISSING?

- Knowledge of how to research, identify, and match funding resources to meet specific needs
  - Knowledge of organizational development as it pertains to grant seeking
  - Knowledge of strategies for effective program and project design and development
  - Knowledge of how to craft, construct, and submit an effective grant application
  - Knowledge of post-award grant management practices
  - Knowledge of nationally recognized standards of ethical practice by grant developers
  - Knowledge of practices and services that raise the professionalism of grant developers
  - Knowledge of methods to cultivate and maintain relationships with funders
  - Ability to write a convincing case for funding
- 

# THOUGHTS AND QUESTIONS

- **Funding isn't disappearing. It's transforming.**
- **The conversation is happening in the wealth management world, not the grant world.**
- **Your role is shifting: from "grant expert" to "guide to the full funding landscape"**





# TAKE CARE

**Presented By : Patrice Shumate, MSW**

**[info@avillageforgood.com](mailto:info@avillageforgood.com)**

**Connect with me on LinkedIn!**

