

## Survey Overview

On May 30, 2014, the Urban Institute's Center on Nonprofits and Philanthropy conducted a survey of donor advised funds (DAFs) operated by community foundations. All community foundations (NTEE code = T31) with total assets of \$5 million or more were invited to take the survey. When the survey closed on June 20, we had received complete or partial responses from 328 of the 607 eligible foundations. The results reported here are based on the 269 foundations (44.3%) that responded to most of the required questions on the survey.

At a time when donor advised funds are growing in popularity and awarding many grants that support community programs, this research is designed to understand current practices, identify the extent of exemplary practices, and inform the community foundation field on their collective individual and collective use of this giving tool. The results reported below are weighted so that we can provide a portrait of the entire community foundation field.

### **Most Compelling Finding:** DAFs are a Civic Engagement Tool for Community Foundations

- 88% of foundations report donors participate in special events sponsored by the community foundation
- 81% of foundations report donors serve on the foundation's board, or in another leadership role
- 81% of foundations report donors contribute to general or other funds of the community foundation
- 68% of foundations report donors help the foundation address pressing community needs
- 42% of foundations report donors help the foundation anticipate emerging community needs
- [13% of foundations report donors work with their communities in other ways]

### **Snapshot: Community Foundations and Donor Advised Funds**

- DAFs are an entry point for younger donors who want to start their philanthropy before retirement: Over 70 percent of foundations report that the average age of a DAF donor is 46-64 years old.
- Eighty percent of community foundations report that they hold a minority of their assets in DAFs.
- On average, DAFs comprise about 29 percent of a community foundations assets.
- For the average community foundation, 42 percent of their DAFs can be classified as endowments (not including quasi-endowment or board designated endowment).
- Both endowed and non-endowed DAFs make grants. On average, community foundations report that 31% of the grant funds awarded from DAFs are paid out from "permanent" endowments.

## DAF Impact Stories by Region

### New England

Connecticut: Yes - many of our donor advised grants are brokered by a foundation staff member. In these cases, a staff person identifies pressing needs and grant-making opportunities in our local community that are within the donor's area of interest. This gives the donor the opportunity to quickly and efficiently address community needs through grants from their donor advised fund.

### Middle Atlantic

New York: Caregiver respite: One of our donors took care of her aging mother, who had Alzheimer's disease. Remembering how hard that caregiving was, our donor created a fund in her mother's name and then asked us to help her create a program to recruit and train volunteers who could provide respite for family caregivers serving people with Alzheimer's and other dementias. We invited the local eldercare agency, Alzheimer's Association, a neighborhood association with a significant home care program, a researcher, a communications nonprofit and other partners to collaborate in planning and delivering a growing service for our area. The program is now entering its second full year of operation and more and more family caregivers are receiving precious respite from the program's volunteers, so the caregiver can come back refreshed after an afternoon or evening to run errands, care for their own children or just relax and rest. The researcher is documenting the pilot so that others can learn from its successes and challenges alike. All has been paid for by the collaborating agencies together with seed funding from our donor.

### East North Central

Indiana: Due to the creation of one fund a donor was able to do something extra ordinary. After the foundation conducted several focus group meetings it was identified that we needed a pre-kindergarten program in one of our school corporations - immediately. Two donors stepped up to the plate to fund this program through the DAF funds this summer win in which approximately 160 students will be attending. This is a collaboration with the local literacy group, the school corporation, the community foundation and our donors. A win-win for everyone.

### West North Central

Iowa: We help to focus attention on community needs and our donors will, on occasion, join us in supporting them. When our homeless shelter was in danger of closing, we made the largest grant ever to save it. In response to the press coverage of our decision, several donor advisers made substantial grant recommendations to the same purpose. Absent our donor advised relationship, I don't think those gifts would have been made independently. The shelter continues to this day under new leadership in large part because of community support that came forward to make it happen.

### South Atlantic

Florida: We just completed a significant campaign to provide food this summer for the 21,000 kids in our community who are on free and reduced lunch during the school year, but not fed in the summer. The campaign raised over \$1.2MM for our local food bank - the initial challenge \$500,000 came from over 40 donors who held DAFs both with us and with others. The balance came broadly from the community and included numerous gifts from DAFs - we could not have reached these people without their engagement through the ease and efficiency of donor advised funds. DAF's make giving easy - often much easier and smarter than giving out of a checkbook - and so more charitable needs are met.

## **East South Central**

Alabama: DAF donors will give to a specific charity in the community, and if they are passionate about the mission of the charity, often will become personally involved as a volunteer and/or board member. The Community Foundation encourages and facilitates relationships between donor and agency which often does not occur in the traditional direct giving model.

## **West South Central**

Texas: Community needs often rise at times when the economy is in recession as we saw in 2009. During 2010, many donors saw a drop in their incomes and assets, so donations were low that year. However, the donors who had given to DAFs were able to donate to local food banks, shelters, and employment programs because they had made gifts to their funds during more prosperous years.

## **Mountain**

Utah: Many of our DAF holders are young entrepreneurs who were not philanthropic prior to the sale of a business or another wealth creating event. Our state (Utah) has one dominant faith charity, the LDS Church, and until 2008 had no community foundation. We are leading efforts to seed social enterprises that are employing low income individuals, and creating stability and sustainability in the nonprofit sector. Our DAF holders are deeply investing in our community by sharing their business expertise in addition to their grant dollars. Big things are afoot because of this new way to “engage your giving mind.” We are kicking it!

## **Pacific**

Washington: We see our DAF's as a stream of funding rather than a pool. We have made a business decision to keep our fees low to nil in order to attract donors, as we see that active DAF's make a remarkable impact on our entire community. Our grants per capita are among the highest in the nation- a direct result of a few active fundholders who like the ease and speed of our system. DAF's are an essential partner in all the work we do.



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Elizabeth T. Boris is the founding director of the Center on Nonprofits and Philanthropy at the Urban Institute in Washington, D.C. where she conducts and oversees research on and evaluations of nonprofit organizations and the policy issues that affect them. The Center includes NCCS, the National Center for Charitable Statistics, which monitors trends in the nonprofit sector, creates databases from IRS Forms 990, and makes those data available to practitioners and researchers in easy to use online formats.

As Vice President for President for Research at the Council on Foundations, she developed research products to assist foundations in building their governance, planning, management and investment capacities. The author of many research publications on philanthropy and nonprofit organizations, Dr. Boris is actively involved as an advisor and board member for a variety of organizations in the nonprofit sector.



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