PHILANTHROPY NORTHWEST

FREQUENTLY ASKED QUESTIONS

FREQUENTLY ASKED QUESTIONS ON DONOR-ADVISED FUNDS AND PUBLIC POLICY

Donor-advised funds (DAFs) are a trending topic in philanthropy, with questions arising about their impact on giving and the outcomes that may result from public policy changes. This FAQ summarizes the available research to answer some common questions, acknowledging that this list can grow as new questions and research emerge. For an overview of DAF policy issues and Philanthropy Northwest's position, see our one-pager or our blog post on the topic.

DAF Impacts on Charity

- Do DAFs increase overall charitable giving?
- Do DAFs make giving more accessible to middle-class donors?
- How do giving from DAFs and foundations compare?
- How do community foundation DAFs compare to commercial DAFs?

DAF Regulation Impacts

- How would a payout requirement affect DAFs' payout rate and charitable giving?
- Would more DAF transparency affect anonymous giving?

Do DAFs increase overall charitable giving?

There is no evidence that DAFs increase charitable giving. DAFs are favored charitable vehicles for wealthy donors by providing a flexible way to centralize their giving, which helped DAFs go from receiving 4% of individual giving in 2010 to 22% in 2021,[1] surpassing private foundations in contributions.[2] But Americans overall have not given more of their income as donations to DAFs skyrocketed.[3] The average person typically donates around 2% of their income, which fell to under 1.7% in 2021, its lowest level in decades.[4]

DAFs might not increase giving because donors balance more giving to DAFs with less giving through other means.[5] In the 1990s, before DAFs became popular, nonprofits received more than 90% of individual giving. Nonprofits now receive less than 65%; the rest goes to other philanthropic vehicles like foundations and DAFs.[6] Concerningly, individual giving continues to shrink relative to the growth of more structured philanthropy at the same time as increased wealth concentration at the top of the income spectrum.[7]

However, while DAFs may not impact total giving much, they do affect the *timing* of when giving reaches charities. A national survey of over 400 nonprofit CEOs noted the most common concern about DAFs was that they delayed giving.[8] This perception may exist because when donors contribute to DAFs they receive charitable tax deductions upfront, but funding often stays in DAFs for several years before being fully granted, if not longer.[9] Future research may clarify more about DAFs' effects on donors and charitable resources.

Do DAFs make giving more accessible to middle-class donors?

DAFs do not democratize philanthropy. Starting a DAF may require a few thousand dollars or less, unlike a more expensive foundation, leading to the idea that DAFs bring in many donors with moderate incomes.[10] DAFs are not exclusive to the rich, but there is no evidence that DAFs incentivize giving among the middle class. Rather, recent growth of the DAF market coincides with a top-heavy charitable landscape, where the wealthy represent a growing share of charitable giving[11] and surveys find that lower- and middle-income people are less inclined to give in general.[12]

The average DAF held around $450,000 in 2022.[13] Most DAF donors are probably wealthy; the median income in the United States is around $71,000[14] and the average person donates under 2% of their income per year.[15] A peer-reviewed cost-benefit analysis used 2014 tax return and DAF giving data to estimate that the average DAF donor had an income above $2 million, noting the calculation as an underestimate.[16]

How do giving from DAFs and foundations compare?

Many DAFs have a higher payout than foundations, but many others have a lower payout. By law, private foundations must pay out at least 5% of their assets each year for charitable expenses, which includes both grants and most administrative costs.[17] The average payout is near 8%[18] with a median slightly below 6%.[19] Community foundations give in a similar range but have no payout requirement.[20] DAFs have no payout requirement either.

There are multiple ways to calculate DAF payout, but the most accurate method compares DAF grants to their assets each year, which puts the average payout around 15%[21] — much higher than the average foundation. However, the median payout rate may be lower[22] because at least one-fifth of DAF sponsors — primarily community foundations — give out less than 5% per year from their DAFs.[23] Data on individual accounts is scarce, but paints a similar picture: a report on Michigan community foundation DAFs found that over one-third of their accounts make no grants in a typical year, and most give less than 5%.[24]

Some DAFs pay out less because sponsors do not make their accounts stay active. A survey of over 100 sponsors found that almost one-fifth do not have inactive account policies. Most sponsors do, but the average policy is met if a DAF gives a grant of any amount every 4-5 years. Some sponsors also offer an "endowed DAF," which limits giving to a lower payout rate — 4-6% on average — so that they never spend down.[25]

Lastly, all the payout rates above also include grants that do not go to charity, but rather are transfers between DAFs and between foundations and DAFs. Reports estimate that DAF-to-DAF grants represent up to 11% of their grantmaking.[26] Transfers to DAFs are also a small percentage of private foundation giving.[27] Transfers occur for various reasons as donors and foundations see fit, but such practices inflate grantmaking totals. A private foundation may also funnel funds to a DAF to avoid disclosing where it makes grants or to meet its 5% payout requirement, even though funds can stay in their DAF indefinitely.[28]

How do community foundation DAFs compare to commercial DAFs?

Community foundation and commercial sponsors are distinct in their operations, but are legally the same and face many of the same challenges. Commercial sponsors, which are national DAF-centered fundraising organizations and sometimes the charitable arms of financial companies, hold over 60% of the DAF market.[29] Community foundations, which usually work within a local geography, hold almost 30% of DAF funds. The rest are public charities that support a specific topic area or population.[30]

Commercial DAFs may have lower management fees and greater investment options,[31] especially as some are also investment companies. The rapid expansion of DAFs has mainly been due to national DAFs,[32] perhaps because some funnel financial clients directly to their DAF arms.[33] Commercial DAFs also average higher payout rates than community foundation DAFs.[34]

All types of sponsors have similar oversight concerns. A range of sponsors, from commercial sponsors to community foundations, provide at least several million dollars in funding to hate groups each year,[35] not to mention other harmful causes.[36] Additionally, all types of sponsors face questions about payout – due to a portion of their DAFs paying out very little[37] – and around transparency, as data on DAFs, industry practices and funding opportunities are scarce.[38]

How would a payout requirement affect DAFs' payout rate and charitable giving?

A payout requirement on DAFs would likely increase charitable giving. A requirement would increase grants from low-paying accounts, have no impact on more generous accounts and is unlikely to affect how much donors give to charity.

Donors are unlikely to change how much they give, based on research on donor motivations indicating that people mostly give to charity due to altruism, internal satisfaction, social pressure, tax benefits and comparable reasons.[39] A payout rule has little effect on such motivations. One study interviewed 40 philanthropy insiders in countries with DAF sponsor payout requirements, who agreed that the rules did not discourage donors.[40]

Some philanthropies are also concerned DAFs would treat a payout requirement as a ceiling instead of a floor, giving the bare minimum.[41] However, this occurs anyway, as some DAFs currently treat the 0% floor as a ceiling. For example, a study of Michigan's community foundation DAFs found that 37% of accounts give nothing in a typical year, and one-third of those accounts gave no grants throughout the study years of 2017-2020.[42] Of course, if DAF payout rates clustered around a minimum requirement, the requirement could be increased to the socially desirable level.

Would more DAF transparency affect anonymous giving?

More DAF transparency is unlikely to limit donors' ability to give anonymously, but it depends on the regulation. DAF transparency mostly centers on sponsors providing more in-depth reporting, communication and publicly available data about DAFs – not necessarily revealing donor names.

Broadly, anonymous giving is a practice that donors may choose for personal privacy reasons, or for more nefarious purposes like giving to hate groups.[43] Aggregate data is not available on anonymous DAF giving, but it is an uncommon practice: one review of the largest five DAF sponsors found that under 5% of grants were anonymous.[44] Anonymous giving is also not only for DAFs – donors can do the same with direct donations too.[45]

Anonymous DAF grants do pose a problem for nonprofits trying to build relationships with donors as well as ensuring funding accountability. In a 2020 convenience sample survey of over 400 nonprofits, a majority were concerned about their ability to reach DAF donors.[46] The previous year, a survey of nonprofit CEOs found that hampered donor outreach was their top concern with DAFs.[47] In both surveys, overall transparency was a potential concern.[48] Some state nonprofit associations, including the Minnesota Council of Nonprofits and California Association of Nonprofits, also favor more transparency regulations for DAFs to ensure funds are used in ways that are accountable to the public good.[49]

Broadly, recent regulatory proposals have not tried to remove DAF donor anonymity privileges. In California, where most of the nonprofit association's members support more DAF payout and transparency requirements,[50] a recent state bill aimed to increase data collection. The bill, which did not pass, did not attempt to reveal donor names or remove the practice of DAF anonymity, but it did not prohibit the collection of names either.[51] The recent federal legislative proposal, the Accelerating Charitable Efforts (ACE) Act (H.R.6595/S.1981), only addressed anonymity under certain circumstances and would not have forbade it or revealed personal donor information.[52]

Endnotes

[1] Helen Flannery, "Donor-Advised Funds Now Take in a Fifth of Individual Charitable Giving, Inequality.org, April 13, 2023, https://inequality.org/great-divide/donor-advised-funds-popularity/.
[2] Chuck Collins and Helen Flannery, "The Rise of the Monster DAFs," Institute for Policy Studies, August 2, 2022, https://inequality.org/great-divide/monster-dafs/.
[3] James Andreoni and Ray Madoff, *Impact of the Rise of Commercial Donor-Advised Funds on the Charitable Landscape 1991-2019* (Boston: Boston College Law School Forum on Philanthropy and the Public Good, 2021), 1-2, 8, https://www.bc.edu/content/dam/bc1/schools/law/centers/philanthropy/2021-forum-philanthropy-report-daf-impact.pdf; James Andreoni, "The Benefits and Costs of Donor-Advised Funds," *Tax Policy and the Economy* 40, no. 1 (2018), 38-40, https://www.journals.uchicago.edu/doi/10.1086/697137#d6519460e1926.
[4] Helen Flannery, "The 2022 Giving Slump Exposes the Fragility of Top-Heavy Charity," Institute for Policy Studies, June 22, 2023, https://ips-dc.org/the-2022-giving-slump-exposes-the-fragility-of-top-heavy-charity/.
[5] Alex Daniels and Drew Lindsay, "Donor-Advised Funds Reshape the Philanthropy Landscape," *Chronicle of Philanthropy*, October 27, 2016, https://www.philanthropy.com/article/donor-advised-funds-reshape-the-philanthropy-landscape/; Roger Colinvaux, "Donor Advised Funds: Charitable Spending Vehicles for 21st Century Philanthropy," *Washington Law Review* 92, no. 1 (2017): 39-85, https://digitalcommons.law.uw.edu/wlr/vol92/iss1/3/.
[6] James Andreoni and Ray Madoff, Impact of the Rise of Commercial Donor-Advised Funds on the Charitable Landscape 1991-2019 (Boston: Boston College Law School Forum on Philanthropy and the Public Good, 2021), 5-6, https://www.bc.edu/content/dam/bc1/schools/law/centers/philanthropy/2021-forum-philanthropy-report-daf-impact.pdf; Helen Flannery, "Donor-Advised Funds Now Take in a Fifth of Individual Charitable Giving, Inequality.org, April 13, 2023, https://inequality.org/great-divide/donor-advised-funds-popularity/.
[7] Gina Vaughn, "Inform your fundraising strategy with top tips from Giving USA 2022," Graham-Pelton, June 28, 2022, https://grahampelton.com/insights/inform-your-fundraising-strategy-with-top-tips-from-giving-usa-2022/.
[8] Hannah Martin, Ellie Buteau and Kate Gehling, *The Funding Landscape: Nonprofit Perspectives on Current Issues in Philanthropy* (Cambridge: The Center for Effective Philanthropy, 2020), 6, 9-11, http://cep.org/wp-content/uploads/2020/02/CEP_The_Funding_Landscape.pdf.
[9] James Andreoni, "The Benefits and Costs of Donor-Advised Funds," *Tax Policy and the Economy* 32, no. 1 (2018), 6-10, https://www.journals.uchicago.edu/doi/10.1086/697137#d6519460e1926; *see also 2023 Giving Report* (Boston: Fidelity Charitable, 2023), 11, https://www.fidelitycharitable.org/insights/2023-giving-report.html which shows that at the largest DAF sponsor, 61% of contributions take longer than a year to grant out and 24% take longer than five years.
[10] Jeff Hamond, "Donor-Advised Funds Are the Linchpin of Local Charitable Giving (1)," *Bloomberg Tax*, May 12, 2021, https://news.bloombergtax.com/daily-tax-report/donor-advised-funds-are-the-linchpin-of-local-charitable-giving; Elizabeth McGuigan, "New Senate Bill Would Stifle Charitable Giving, Harming Those in Need," Philanthropy Roundtable, June 14, 2021, https://www.philanthropyroundtable.org/home/blog/post/roundtable/2021/06/14/new-senate-bill-would-stifle-charitable-giving-harming-those-in-need; Amy C. Arnott and Susan Dziubinski, "Our Advice on Donor-Advised Funds," *Morningstar*, July 14, 2021, https://www.morningstar.com/articles/1045661/our-advice-on-donor-advised-funds/.
[11] Gina Vaughn, "Inform your fundraising strategy with top tips from Giving USA 2022," Graham-Pelton, June 28, 2022, https://grahampelton.com/insights/inform-your-fundraising-strategy-with-top-tips-from-giving-usa-2022/; *see* Chuck Collins and Helen Flannery, *Gilded Giving 2022: How Wealth Inequality Distorts Philanthropy and Imperils Democracy* (Washington, D.C.: Institute for Policy Studies, 2022), 1-45, https://ips-dc.org/report-gilded-giving-2022/; Patrick M. Rooney, "Where Have All the Donors Gone? The Continued Decline of the Small Donor and the Growth of Megadonors," *Nonprofit Quarterly*, December 4, 2019, https://nonprofitquarterly.org/where-have-all-the-donors-gone-the-continued-decline-of-the-small-donor-and-the-growth-of-megadonors/ for overviews of how charitable giving has trended toward wealthy donors.
[12] Una O. Osili et. al, *The Giving Environment: Understanding Pre-Pandemic Trends in Charitable Giving* (Indianapolis: Indiana University Lilly Family School of Philanthropy, 2021), 14-16 https://scholarworks.iupui.edu/handle/1805/26290; *see also* Jeffrey M. Jones, "Percentage of Americans Donating to Charity at New Low," *Gallup*, May 14, 2020, https://news.gallup.com/poll/310880/percentage-americans-donating-charity-new-low.aspx which does show a positive giving rebound, though survey numbers represent an outlier from other surveys and still show a lag for low- and middle-income donors.
[13] Dan Petegorsky, "Donor-Advised Fund Numbers Still Obscure Who's Giving and How Much," Institute for Policy Studies, January 13, 2023, https://inequality.org/research/donor-advised-fund-numbers/.

[14] U.S. Census Bureau, *Income in the United States: 2021*, by Jessica Semega and Melissa Kollar, P60-276 (2022), 1, https://www.census.gov/library/publications/2022/demo/p60-276.html.
[15] Chuck Collins and Helen Flannery, "Giving USA 2022: Charity Sector Stable but Increasingly Top-Heavy," Institute for Policy Studies, July 14, 2022, https://ips-dc.org/giving-usa-2022-charity-sector-stable-but-increasingly-top-heavy/.
[16] James Andreoni, "The Benefits and Costs of Donor-Advised Funds," *Tax Policy and the Economy* 32, no. 1 (2018), 6-10, https://www.journals.uchicago.edu/doi/10.1086/697137#d6519460e1926.
[17] Loren Renz, *Understanding and Benchmarking Foundation Payout* (New York City: Foundation Center, 2012), 1, https://foundationcenter.issuelab.org/resources/14076/14076.pdf.
[18] "How Much do Foundations Give Per Year?" FoundationAdvocate, accessed July 7, 2021, https://www.foundationadvocate.com/foundations-payout/.
[19] Brittany Kienker and Jeff Williams, *An Evaluation of Community Foundation Investment Returns & Payout Rates* (Grand Rapids: Council of Michigan Foundations, 2020), 10, https://www.michiganfoundations.org/resources/analysis-donor-advised-funds-community-foundation-perspective.
[20] "Results of the Columbus Survey," Candid, accessed July 7, 2021, https://columbussurvey.cfinsights.org/dashboard/year/2021/tab/funds/; Brittany Kienker and Jeff Williams, *An Evaluation of Community Foundation Investment Returns & Payout Rates* (Grand Rapids: Council of Michigan Foundations, 2020), 10, https://www.michiganfoundations.org/resources/analysis-donor-advised-funds-community-foundation-perspective.
[21] *2022 Donor-Advised Fund Report* (Jenkintown, PA: National Philanthropic Trust, 2022), 11, https://www.nptrust.org/wp-content/uploads/2022/12/2022-DAF-Report.pdf; James Andreoni and Ray Madoff, "Calculating DAF Payout and What We Learn When We Do It Correctly" (Working paper, *National Bureau of Economic Research*, 2020), 7, https://www.nber.org/papers/w27888.
[22] Paul Arnsberger, "Donor-Advised Funds: An Overview Using IRS Data," (paper presented at The Rise of Donor-Advised Funds: Should Congress Respond?, Washington, D.C., October 2015), 64, 67, https://lawdigitalcommons.bc.edu/philanthropy-forum/donoradvised2015/papers/5/; and H. Daniel Heist, "Understanding Donor-Advised Funds: The Behavioral Economics, Macroeconomics, And Public Policies Relating To An Emerging Trend In Philanthropy" (PhD dissertation, Publicly Accessible Penn Dissertations, 2019), 62, 79, https://repository.upenn.edu/cgi/viewcontent.cgi?article=5132&context=edissertations.
[23] H. Daniel Heist, "Understanding Donor-Advised Funds: The Behavioral Economics, Macroeconomics, And Public Policies Relating To An Emerging Trend In Philanthropy" (PhD dissertation, Publicly Accessible Penn Dissertations, 2019), 49, https://repository.upenn.edu/cgi/viewcontent.cgi?article=5132&context=edissertations; Paul Arnsberger, "Donor-Advised Funds: An Overview Using IRS Data," (paper presented at The Rise of Donor-Advised Funds: Should Congress Respond?, Washington, D.C., October 2015), 64, 67, https://lira.bc.edu/files/pdf?fileid=4dc2f97d-70c0-45a1-81fa-cd63ebfe35f3; James Andreoni and Ray Madoff, "Calculating DAF Payout and What We Learn When We Do It Correctly" (Working paper, *National Bureau of Economic Research*, 2020), 7, https://www.nber.org/papers/w27888; U.S. Library of Congress, Congressional Research Service, *An Analysis of Charitable Giving and Donor Advised Funds,* by Molly F. Sherlock and Jane G. Gravelle, R42595 (2012), 16-18, https://sgp.fas.org/crs/misc/R42595.pdf.
[24] Jeff Williams and Brittany Kienker, *Analysis of Donor Advised Funds from a Community Foundation Perspective* (Grand Rapids: Council of Michigan Foundations, 2021), 12, 18, https://www.michiganfoundations.org/resources/analysis-donor-advised-funds-community-foundation-perspective.
[25] Dan Heist and Kendra Stone, *Self-Regulating Donor Advised Funds: An Analysis of Inactive Account Policies and Endowed DAFs* (Provo, UT: DAF Research Collaborative, 2023): 7, 11, 19, 24, https://static1.squarespace.com/static/6011def87418a462fcb03978/t/63bc68db71b3320673337333/1673291998922/Self-Regulating+DAFs_6Jan.pdf.
[26] *See* H. Daniel Heist, "Understanding Donor-Advised Funds: The Behavioral Economics, Macroeconomics, And Public Policies Relating To An Emerging Trend In Philanthropy" (PhD dissertation, Publicly Accessible Penn Dissertations, 2019), 40, https://repository.upenn.edu/cgi/viewcontent.cgi?article=5132&context=edissertations; Helen Flannery and Chuck Collins, *More than One Billion Dollars In DAF Grants Went to Other Commercial DAFs in 2019* (Washington, D.C.: Institute for Policy Studies, 2021): 4, https://ips-dc.org/wp-content/uploads/2021/08/DAF-to-DAF-Giving-More-than-One-Billion-Dollars-In-DAF-Grants-Went-to-Other-Commercial-DAFs-in-2019.pdf; California Department of Justice Office of the Attorney General, *Donor-Advised Funds, An Overview* (Sacramento: California Department of Justice Office of the Attorney General, 2022), 3, 22-23, https://oag.ca.gov/system/files/media/donor-advised-funds-overview.pdf; *where each source offers an estimate on DAF-to-DAF giving that ranges from 4% to 11% of total DAF grantmaking.*
[27] Peter Olsen-Phillips, "Foundations Move $737 Million to Donor-Advised Funds, Chronicle Study Shows," *The Chronicle of Philanthropy*, May 14, 2018, https://www.philanthropy.com/article/Foundations-Move-737-Million/243403.

philanthropynw.org
policy@philanthropynw.org

[28] Peter Olsen-Phillips, "Foundations Move $737 Million to Donor-Advised Funds, Chronicle Study Shows," *The Chronicle of Philanthropy*, May 14, 2018, https://www.philanthropy.com/article/Foundations-Move-737-Million/243403; H. Daniel Heist et al, "Understanding the Donor-Advised Fund Giving Process: Insights From Current DAF Users," *Nonprofit and Voluntary Sector Quarterly* 50, no. 2 (April 2021), 11-12, https://journals.sagepub.com/doi/abs/10.1177/08997640211011248. (Author's Note: The working paper version can be accessed on the lead authors' DAF research website, https://static1.squarespace.com/static/6011def87418a462fcb03978/t/6050bc1ed9ab2b7087a995df/1615903774856/DAF+Giving+Process_Manuscript+%281%29.pdf.)

[29] *2022 Donor-Advised Fund Report* (Jenkintown, PA: National Philanthropic Trust, 2022), 8-9, 32, https://www.nptrust.org/wp-content/uploads/2022/12/2022-DAF-Report.pdf.

[30] *2022 Donor-Advised Fund Report* (Jenkintown, PA: National Philanthropic Trust, 2022), 8-9, 32, https://www.nptrust.org/wp-content/uploads/2022/12/2022-DAF-Report.pdf.

[31] Elaine Gast Fawcett and Audrey Jacobs, "What are sponsor organizations and what are the different types of sponsor organizations for donor-advised funds?" National Center for Family Philanthropy, accessed July 8, 2021, https://www.ncfp.org/knowledge/what-are-sponsor-organizations-and-what-are-the-different-types-of-sponsor-organizations-for-donor-advised-funds/.

[32] *See 2022 Donor-Advised Fund Report* (Jenkintown, PA: National Philanthropic Trust, 2022), https://www.nptrust.org/wp-content/uploads/2022/12/2022-DAF-Report.pdf for an overview of DAF growth trends.

[33] Roger Colinvaux, "Donor Advised Funds: Charitable Spending Vehicles for 21st Century Philanthropy," *Washington Law Review* 92, no. 1 (2017): 45-46, https://digitalcommons.law.uw.edu/wlr/vol92/iss1/3/.

[34] James Andreoni and Ray Madoff, "Calculating DAF Payout and What We Learn When We Do It Correctly" (Working paper, *National Bureau of Economic Research*, 2020), 7, https://www.nber.org/papers/w27888; 2020 Donor-Advised Fund Report (Jenkintown: National Philanthropic Trust, 2021), https://www.nptrust.org/reports/daf-report/.

[35] Abbas Barzegar and Willemijn Keizer, *Hate-Free Philanthropy: Identifying Opportunities and Obstacles to Safeguard the Sector* (Montgomery: Southern Poverty Law Center; Washington DC: Council on American-Islamic Relations, 2020), https://www.splcenter.org/sites/default/files/dev_hate_free_philanthropy_final1.pdf;
Abbas Barzegar and Zanaib Arain, *Hijacked by Hate: American Philanthropy and the Islamaphobia* Network (Washington DC: Council on American-Islamic Relations, 2019), http://www.islamophobia.org/images/IslamophobiaReport2019/CAIR_Islamophobia_Report_2019_Final_Web.pdf.

[36] *See* Alex Kotch, "The Dirty Dozen: The Biggest Nonprofit Funders of Climate Denial," The Center for Media and Democracy, March 21, 2022, https://www.exposedbycmd.org/2022/03/21/the-dirty-dozen-the-biggest-nonprofit-funders-of-climate-denial/; Annie Romano, "Donor-Advised Funds: The Anti-Abortion Movement's Best Kept Secret," Reproaction, June 1, 2023, https://reproaction.org/donor-advised-funds/ *for examples of harmful DAF-funded causes.*

[37] *See* James Andreoni and Ray Madoff, "Calculating DAF Payout and What We Learn When We Do It Correctly" (Working paper, *National Bureau of Economic Research*, 2020), 7, https://www.nber.org/papers/w27888; Jeff Williams and Brittany Kienker, *Analysis of Donor Advised Funds from a Community Foundation Perspective* (Grand Rapids: Council of Michigan Foundations, 2021), 12, 18, https://www.michiganfoundations.org/resources/analysis-donor-advised-funds-community-foundation-perspective *for aggregate examples of some DAFs paying out less than 5%.*

[38] Hannah Martin, Ellie Buteau and Kate Gehling, *The Funding Landscape: Nonprofit Perspectives on Current Issues in Philanthropy* (Cambridge: The Center for Effective Philanthropy, 2020), 6, 9-11, http://cep.org/wp-content/uploads/2020/02/CEP_The_Funding_Landscape.pdf; *see* Una Osili et al, *Nonprofits and Donor-Advised Funds: Perceptions and Potential Impacts* (Indianapolis: Indiana University Lilly Family School of Philanthropy, 2020), 9, 39, https://scholarworks.iupui.edu/handle/1805/24001 *for another report highlighting transparency and accessibility issues between DAFs and nonprofits; see also Americans' Understanding and Opinions about Charitable Foundations and Donor-Advised Funds* (Washington, D.C.: Institute for Policy Studies, 2020), https://ips-dc.org/ipsos-poll-72-percent-of-americans-support-an-emergency-charity-stimulus/ *for a public opinion survey highlighting transparency and payout concerns.*

[39] René Bekkers and Pamala Wiepking, "Eight Mechanisms That Drive Charitable Giving," downloaded from René Bekkers' website on April 17, 2021, https://renebekkers.files.wordpress.com/2016/02/bekkers_wiepking_16.pdf; Roger Colinvaux, "Donor Advised Funds: Charitable Spending Vehicles for 21st Century Philanthropy," *Washington Law Review* 92, no. 1 (2017): 60, https://digitalcommons.law.uw.edu/wlr/vol92/iss1/3/.

[40] Susan D. Phillips, Katherine Dalziel and Keith Sjogren, "Donor Advised Funds in Canada, Australia and the US: Differing Regulatory Regimes, Differing Streams of Policy Drift," *Nonprofit Policy Forum* 12, no. 3 (2021): 415, 424, https://www.degruyter.com/document/doi/10.1515/npf-2020-0061/html.

[41] "The Value of Donor-Advised Funds," Independent Sector, 2016, https://independentsector.org/resource/value-of-donor-advised-funds/.

philanthropynw.org
policy@philanthropynw.org

[42] Brittany Kienker and Jeff Williams, *An Evaluation of Community Foundation Investment Returns & Payout Rates* (Grand Rapids: Council of Michigan Foundations, 2020), 18, https://www.michiganfoundations.org/resources/analysis-donor-advised-funds-community-foundation-perspective.
[43] H. Daniel Heist, "Understanding Donor-Advised Funds: The Behavioral Economics, Macroeconomics, And Public Policies Relating To An Emerging Trend In Philanthropy" (PhD dissertation, Publicly Accessible Penn Dissertations, 2019), 85-86, https://repository.upenn.edu/cgi/viewcontent.cgi?article=5132&context=edissertations; Alex Kotch, "America's Biggest Charities Are Funneling Millions to Hate Groups From Anonymous Donors," *Sludge*, February 19, 2019, https://readsludge.com/2019/02/19/americas-biggest-charities-are-funneling-millions-to-hate-groups-from-anonymous-donors/.
[44] Howard Husock, *Anonymous Giving Through Donor-Advised Funds* (Washington, D.C.: American Enterprise Institute, 2022): 2, https://www.aei.org/research-products/report/anonymous-giving-through-donor-advised-funds/; Ellen Steele and C. Eugene Steuerle, Discerning the True Policy Debate over Donor-Advised Funds (Washington, D.C.: Urban Institute, 2015), 8, https://www.urban.org/sites/default/files/publication/72241/2000481-Discerning-the-True-Policy-Debate-over-Donor-Advised-Funds.pdf.
[45] Ellen Steele and C. Eugene Steuerle, Discerning the True Policy Debate over Donor-Advised Funds (Washington, D.C.: Urban Institute, 2015), 2, https://www.urban.org/sites/default/files/publication/72241/2000481-Discerning-the-True-Policy-Debate-over-Donor-Advised-Funds.pdf.
[46] Una Osili et al, *Nonprofits and Donor-Advised Funds: Perceptions and Potential Impacts* (Indianapolis: Indiana University Lilly Family School of Philanthropy, 2020), 9, 39, https://scholarworks.iupui.edu/handle/1805/24001.
[47] Hannah Martin, Ellie Buteau and Kate Gehling, *The Funding Landscape: Nonprofit Perspectives on Current Issues in Philanthropy* (Cambridge: The Center for Effective Philanthropy, 2020), 6, 9-11, http://cep.org/wp-content/uploads/2020/02/CEP_The_Funding_Landscape.pdf.
[48] Una Osili et al, *Nonprofits and Donor-Advised Funds: Perceptions and Potential Impacts* (Indianapolis: Indiana University Lilly Family School of Philanthropy, 2020), 9, 39, https://scholarworks.iupui.edu/handle/1805/24001; Hannah Martin, Ellie Buteau and Kate Gehling, *The Funding Landscape: Nonprofit Perspectives on Current Issues in Philanthropy* (Cambridge: The Center for Effective Philanthropy, 2020), 6, 9-11, http://cep.org/wp-content/uploads/2020/02/CEP_The_Funding_Landscape.pdf.
[49] "The Accelerating Charitable Giving Act (ACE Act)," Minnesota Council of Nonprofits, accessed May 22, 2023, https://www.minnesotanonprofits.org/public-policy/past-successes-campaigns/ace-act; "What's happening with donor-advised funds?" California Association of Nonprofits, June 11, 2020, https://calnonprofits.org/publications/article-archive/698-what-s-happening-with-donor-advised-funds.
[50] "What's happening with donor-advised funds?" California Association of Nonprofits, June 11, 2020, https://calnonprofits.org/publications/article-archive/698-what-s-happening-with-donor-advised-funds.
[51] "What's happening with donor-advised funds?" California Association of Nonprofits, June 11, 2020, https://calnonprofits.org/publications/article-archive/698-what-s-happening-with-donor-advised-funds; Robert Tigner, "California Would Be First State Law to Reach Donor Advised Funds," *Ministry Watch*, February 12, 2020, https://ministrywatch.com/california-would-be-first-state-law-to-reach-donor-advised-funds/; "Status: AB-2936 Supervision of Trustees and Fundraisers for Charitable Purposes Act: donor-advised funds.," California State Legislature, accessed July 8, 2021, https://leginfo.legislature.ca.gov/faces/billStatusClient.xhtml?bill_id=201920200AB2936.
[52] U.S. Congress, Senate, ACE Act, S 1981, 117th Congress, 1st session, introduced in Senate June 9, 2021, https://www.congress.gov/bill/117th-congress/senate-bill/1981; U.S. Congress, House of Representatives, *ACE Act*, HR 6595, 117th Congress, 2nd session, introduced in House of Representatives February 3, 2022, https://www.congress.gov/bill/117th-congress/house-bill/6595.