

Why Would My Organization Want Its Own DAF Program?

UNPACKING DAFS FOR NONPROFITS — ISSUES AND OPPORTUNITIES

FOUNDATIONSOURCE
Your Partner in Giving


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Today's conversation aims to equip you on the future of DAFs.

- Objective: highlight when/where/how you might want to operate your own DAF program.
- Agenda
 1. Introduction to Foundation Source / Charityvest
 2. Trends in DAFs and fundraising: why this matters
 3. Getting clear on DAFs
 4. Today's DAF landscape: traditional DAFs + existing operating nonprofit DAFs
 5. Why create your own DAF?
 6. What would creating your own DAF look like?
 7. Juice worth the squeeze? Operational considerations.
 8. Getting started: testing if it's right for your organization

We'll leave plenty of time for questions!



Foundation Source
is the leading provider
of philanthropic
solutions.

- Specialists in:
 - private foundations
 - donor-advised funds
 - planned giving programs
- 4,000+ charitable organizations
 - ~2,200 private foundations
 - ~1,900 nonprofits
- 150+ financial institutions
- \$26+ billion in foundation assets
- 90,000+ grants processed annually
- 70,000+ planned gifts administered annually
- ~20,000 donor-advised fund accounts
- National footprint
- 97% client retention
- Backed by private equity firm GTCR

**All metrics as of 12/31/24

// We have assembled a full range of tech-enabled solutions that support a variety of donor needs and objectives.



**PRIVATE
FOUNDATIONS**



**DONOR-ADVISED
FUNDS**



**PLANNED GIVING and
ENDOWMENTS**

Leadership Team



WARREN BAILEY
Chief Information Security Officer



LOU D'ADDARIO
Chief Revenue Officer



ASHBY FOLTZ
SVP, Product



HANNAH SHAW GROVE
Chief Marketing Officer



JOSEPH MRAK, III
Chief Executive Officer



ERIN HARRIGAN
SVP, Corporate Finance



JEFFREY D. HASKELL
Chief Legal Officer



GILLIAN HOWELL
National Philanthropy Executive



STEPHEN KUMP
President, DAFs



GARY PFORZHEIMER
President, Planned Giving



ESTEE SHOR
Chief Operating Officer



PASCAL VINCENT
Chief Technology Officer



ELIZABETH WONG
Head of Philanthropic Advisory Services



Our DAF-related leadership.



Key Foundation Source Board Member & DAF Team Advisor:

Pamela Norley, Former President, Fidelity Charitable

Foundation Source DAF Key Leaders



Stephen Kump
President, DAFs



Ashby Foltz
SVP, Product



Bobby Romano
VP, Client Success



Rebecca Jacobs
Sr. Manager, DAF Marketing



Edmundo Santos
Head of DAF Engineering



Todd May
Senior Design Director

Charityvest Inc. Board of Directors



Paul Glyer
Chairman of Charityvest; Co-founder, IOI Partners



Stephen Kump
President of Charityvest; President, DAFs, Foundation Source



Heather Grizzle
Managing Partner, Causeway Strategies



Paurvi Bhatt
President & Chief Impact Officer, Rosalynn Carter Institute for Caregivers



Nate Wong
Partner, The Bridgespan Group

Other Key Partners & Advisors

GTCR

VESTIGO VENTURES

Combinator

Gates Foundation

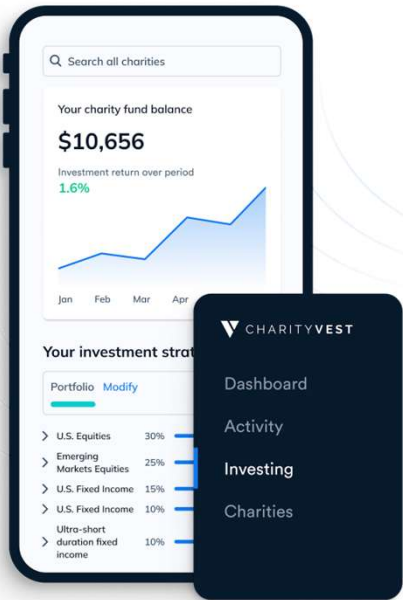


Grace Nicolette
VP, Center for Effective Philanthropy



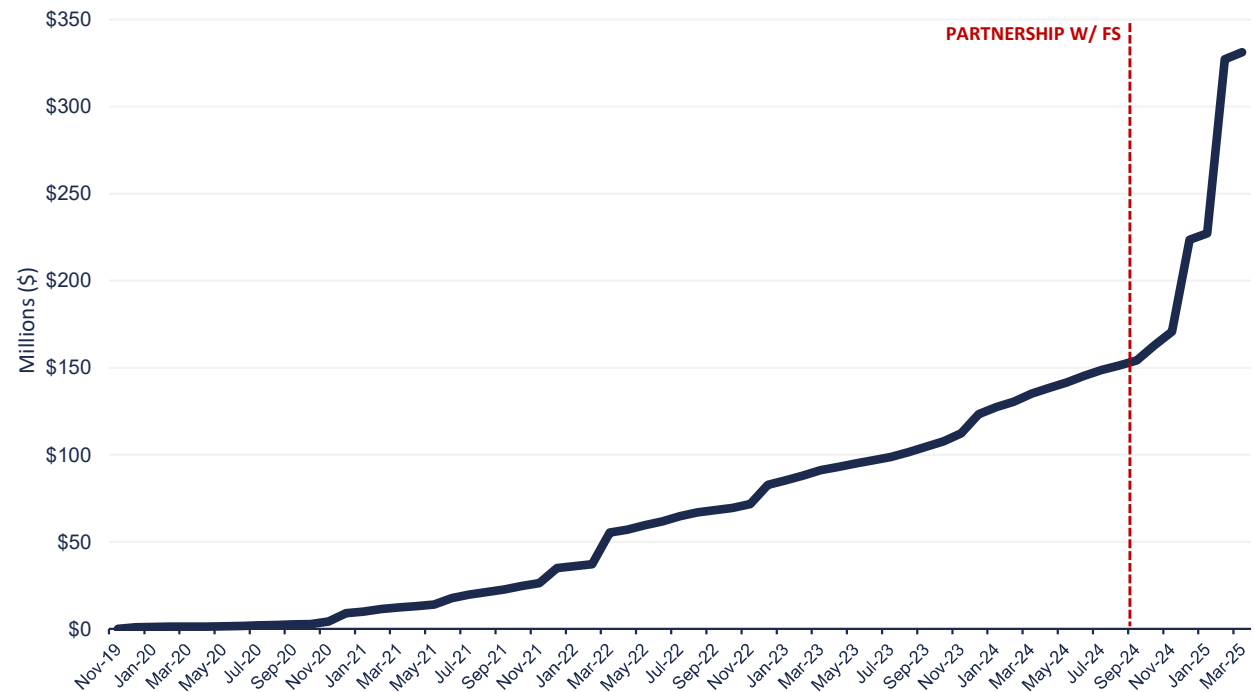
Brad Caswell
Former COO, Vanguard Charitable

We built a modern, tech-enabled donor-advised fund that is growing quickly.



81 NPS

Cumulative Charityvest DAF contributions (\$) by month

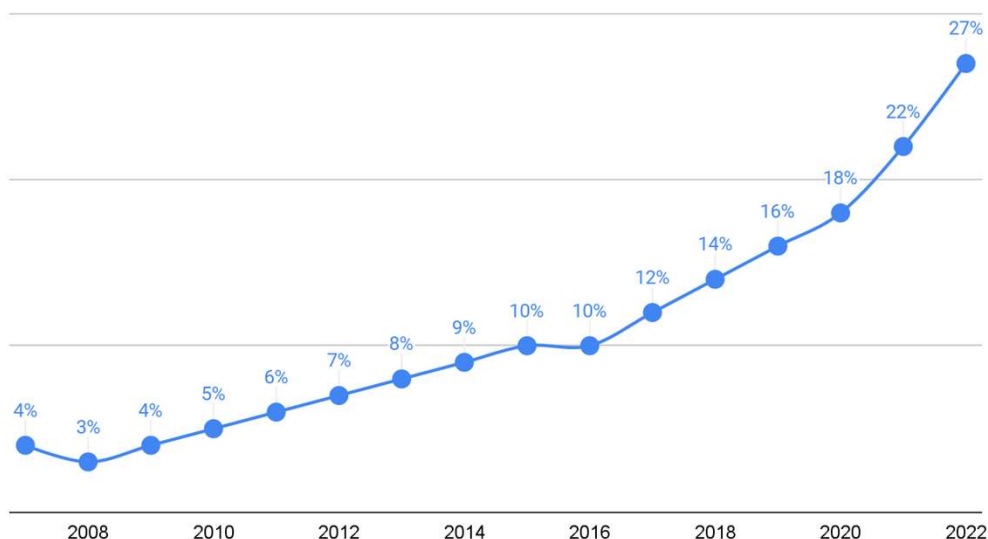


Total asset levels: \$211M

As of March 2025

Why this conversation matters: DAFs are emerging as central to all charitable giving.

% of total annual charitable giving to DAFs



66% of wealthy donors say they give through DAFs to better plan for long-term generosity.

Planned giving and DAFs overlap: 35% of DAF donors say they plan to make legacy gifts through their DAF.

(Fidelity Charitable)

Level set: What is a DAF? Why would a donor use one?

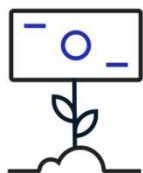
DAFs are a tax-deductible financial account for charitable giving. “A 401k for giving.”



CONTRIBUTE.

Contributions are tax deductible when moved into the account.

Donate cash or any asset.



INVEST.

Grow assets tax-free
Custom investments with a financial advisor.



GRANT.

Whenever ready, send money to any of the 1.4M charities.
Dollars are delivered to charities automatically.

DAFs help donors simplify giving and tax planning.



Separates giving and spending, like a retirement account does for savings.



Flexibility with tax timing—tax deduction now, support charities later.



One tax receipt for all giving.



Easier to use tax-smart strategies like giving assets vs. cash.

Today's DAF landscape: it's broad, complex, and growing.

Category	Example organizations	Assets (approximate \$)
<u>National charities (73 total)</u>		<u>\$150B</u>
	Fidelity Charitable	\$60B
	DAFgiving360 (Schwab)	\$35B
	Vanguard Charitable	\$17B
<u>Single-issue charities (353 total)</u>		<u>\$20B</u>
	National Christian Foundation	\$7B
	Jewish Communal Fund	\$3B
	The Signatry	\$2B
<u>Community foundations (725 total)</u>		<u>\$54B</u>
	Silicon Valley CF	\$15B
	Chicago Community Trust	\$5B
	Greater Kansas City CF	\$3B

DAF Market Data

	2012	2022	10yr Change
Assets (B)	\$44.9	\$228.9	5x
Grants (B)	\$8.6	\$52.2	6x
Number of Accounts	205,552	1,948,545	9x
Average Account Size	\$218,054	\$117,466	0.5x

Source: National Philanthropic Trust

Median 4-Year Change

	Non-DAF	DAF
Revenue	1%	214%
Gifts	-5%	83%
Donors	-6%	79%

Are DAFs sponsors good fundraising partners? Should you reach out directly?



No.

At their core, DAF organizations are charitable financial sponsors, not capital allocators.

DAFs typically don't influence donor decisions directly.

But that's not to say DAFs aren't relevant for fundraising.

Why might your organization want its own DAF?

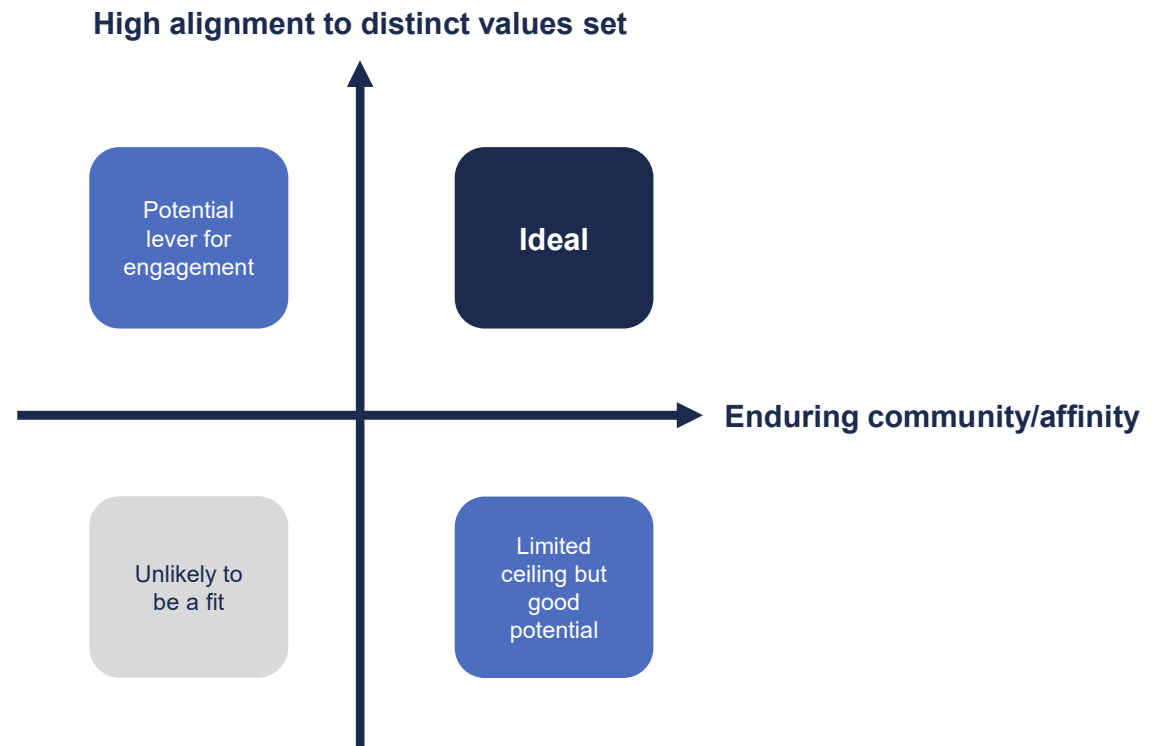
To gain a long-term fundraising engine.

HIGHER DONOR LIFETIME VALUE

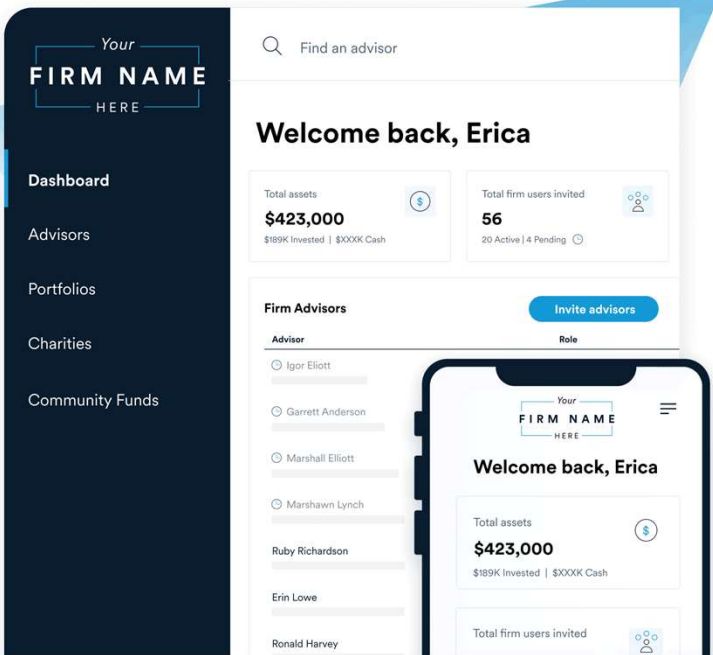


Fundraising lever	Description
Aligns values & relationship	Enables the charity a platform to become a philanthropic partner based on the values it stands for, not just an engine for funding opportunities. It's a higher-order commitment based on shared values and community.
Increases fundraising intelligence	Full visibility into DAF assets available for potential asks.
Expands donor commitments upfront	Opportunity to lock in a % of all DAF contributions upfront.
Catalyzes long-range planning conversations	Provides practical prompts for conversations about planned giving, legacy planning, and long-range commitments.
Can offer pathway for strategic capital reserves / quasi-endowments	Funds can serve as evergreen sources of capital, either informally or formally without having to establish a formal endowment.

Is your organization a good fit to launch its own DAF?



What would creating your own DAF look like today?



NEW PARADIGM

Custom branding

Fully automated experience

Low DAF admin fees

No donor minimums

Strategic giving opportunities

OLD PARADIGM

Limited branding

Manual operations

High DAF admin fees

Significant minimums

Harder to manage

Juice worth the squeeze today? Operational considerations.

NEW PARADIGM



Low startup costs



~No operational commitment



Turnkey compliance



Rich donor data



Integrated accounting

OLD PARADIGM

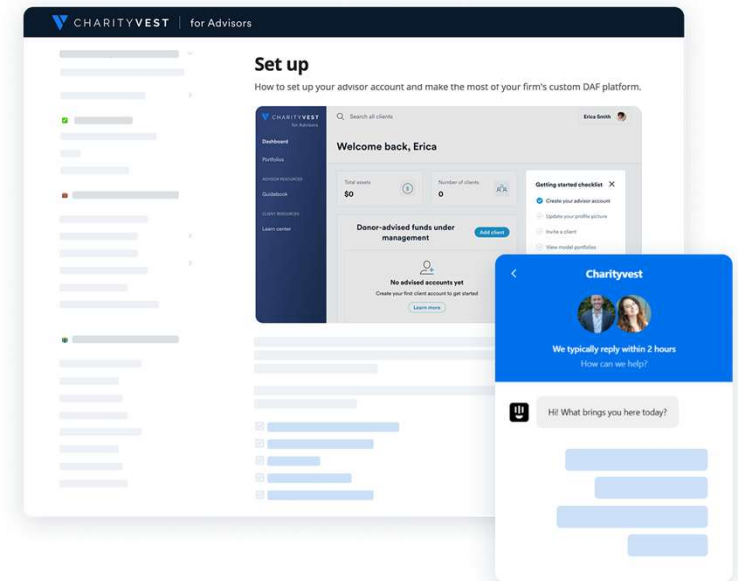
High startup costs

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Q&A and Next steps

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