DAF RESEARCH COLLABORATIVE



# Financial Planning in the Age of Donor Advised Funds

2026

# Table of Contents


**Executive Summary** 3

**Introduction** 4

**1. A Review of DAFs in Financial Planning** 5

**2. Data and Methods** 9

**3. Financial Advisor Engagement with Charitable Planning** 13

- Engaging Clients in Charitable Planning 15
- When to Discuss Charitable Planning 17
- Focus Group Insights 19
- Charitable Planning Services 21
- Recommending Charitable Giving Vehicles and Approaches 23

**4. DAF Recommendations by Financial Advisors** 25

- Advisor Use of DAFs 26
- Advisor Fulfillment from Client Philanthropy 28
- Length of Time Using DAFs with Clients 29
- DAF Recommendations by Client Wealth Segment 30

**5. Advantages and Motivations** 32

- Reasons to Recommend DAFs to Clients 33
- Advisor Motivations for Recommending DAFs 35
- Advisor Services Related to DAFs 36

**6. Barriers and Challenges to Using DAFs** 38

- Barriers to Opening a DAF 39
- Challenges to Using a DAF 41

**Conclusion** 42

**About Us** 43

**Acknowledgements** 44

**References & Suggested Report Citation** 45

# Executive Summary

Donor advised funds (DAFs) are the fastest-growing charitable giving vehicle in the United States. In 2024, there were 3.56 million DAF accounts holding $326 billion in assets. Contributions totaled nearly $90 billion, and grantmaking reached $65 billion. As DAFs continue to expand in scale and influence within the charitable landscape, financial advisors are increasingly important to how DAFs are established, funded, and invested.

The *Financial Planning in the Age of Donor Advised Funds* 2026 report draws on six focus groups and a national survey of 669 financial advisors across the country to examine how, when, and why financial advisors incorporate DAFs into charitable planning.

The findings below highlight current practices, motivations, and opportunities for strengthening charitable advising, especially regarding the use of DAFs.



## Charitable Planning is Common Practice

- Three-quarters (75%) of financial advisors report engaging clients in moderate to substantial discussions about charitable giving.
- These conversations most frequently occur during estate planning (95%) and annual review meetings (91%).



## DAFs are a Preferred Charitable Planning Tool

- DAFs are the second most commonly recommended giving approach after direct giving, with 21% of financial advisors recommending them about half of the time, and another 35% recommending them frequently. Only 10% report never recommending a DAF.
- Financial advisors primarily serving ultra-high net worth households are substantially more likely to frequently recommend DAFs (61% among those who focus on serving clients with $10 million or more in investable assets).
- Advisors who personally use a DAF are more than twice as likely to frequently recommend one (61%) than financial advisors who don't personally use a DAF (26%).



## Barriers and Challenges of DAFs

- Barriers to DAF adoption appear limited. The most common concern expressed by advisors is clients' perception of loss of control associated with making an irrevocable gift.
- Once established, DAFs are generally considered straightforward to use and manage, though some advisors report clients requiring additional education regarding rules and grantmaking restrictions.



## Reasons to Recommend DAFs

- Tax benefits are the dominant motivation for recommending DAFs, with 83% of advisors rating them as very or extremely important.
- Flexible timing of giving and client convenience follow closely, along with charitable estate planning objectives, as primary reasons for recommending DAFs.

# Introduction

DAFs are the fastest-growing vehicle for charitable giving in the U.S. *The Annual DAF Report 2025*[1] reports 3.56 million DAF accounts in 2024, with DAF assets growing 28% that year, to a total of $326 billion. Contributions in 2024 totaled $89.64 billion, and grantmaking reached $65 billion.[2] These figures indicate both the scale of capital held in DAF accounts and considerable fund flows through those accounts. As DAFs continue to increase in popularity, financial advisors are likely to encounter current and prospective clients who use DAFs or who would benefit from using one. Being familiar with DAFs works to an advisor's great advantage. Further, financial advisors are uniquely positioned to influence the amount of money that flows to charitable organizations, including through their clients' DAFs.

DAFs matter to financial advisors because they can be a core tool to facilitate effective philanthropy for their clients while also accomplishing other financial objectives. For example, DAFs allow clients to separate the timing of their charitable contributions from their grantmaking, meaning that clients can focus first on how much to allocate to charity, influenced in part by their tax situation, and then later determine which charity to support. DAFs can also help facilitate the donation of a variety of appreciated assets, including publicly traded stocks as well as privately held businesses, allowing donors to reduce their capital gains taxes. By naming successor advisors for their DAF, clients can also use DAFs to transmit their values and philanthropic objectives to their children and extended family. In addition, DAFs can facilitate investment objectives, such as assisting with portfolio reallocations by donating concentrated positions and then replenishing the portfolio with cash that would have otherwise been donated. Charitably inclined clients can also use funds within a DAF to engage in impact investing, extending the reach of the funds earmarked for charitable purposes.

To better understand how, when, and why financial advisors use DAFs with their clients, the Donor Advised Fund Research Collaborative (DAFRC) partnered with DAFgiving360, the American Endowment Fund, the American College of Financial Services, Fidelity Charitable, the Investments & Wealth Institute, and others to create this report. The DAFRC's mission is to conduct empirical research that enhances the public understanding of DAFs. Expanding DAF research to include financial advisors broadens the scope of key stakeholders in philanthropy and deepens public understanding of DAFs beyond the nonprofit sector.

This study incorporates findings from six focus groups with financial advisors and survey responses from more than 660 financial advisors across many different firms and firm types nationwide. The results provide insights into how, when, and why advisors utilize DAFs in charitable planning with their clients. These findings enable financial advisors to benchmark their own practices in charitable planning and identify opportunities to more effectively help clients achieve their charitable goals.



# 1. A Review of DAFs in Financial Planning

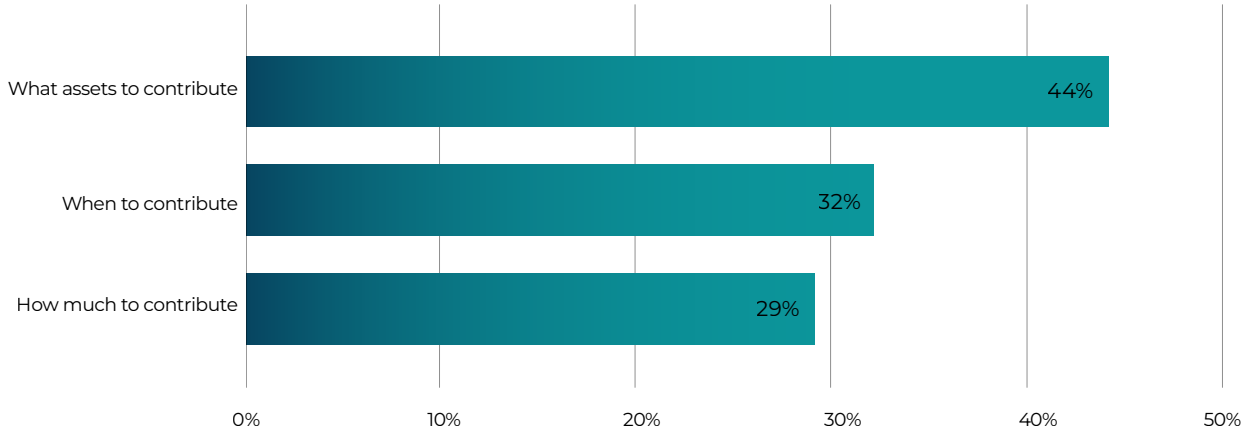
# Gap in Advice Regarding DAFs

From the *National Survey of Donor Advised Fund Donors*,[3] almost three quarters (72%) of people who use a DAF also work with a financial advisor. However, fewer than half of these clients rely on their financial advisors for charitable planning advice, suggesting a gap in the role that advisors are playing or could play in guiding their clients regarding using DAFs. As shown in Figure 1.1, only 44% of people using DAFs report advisor involvement in determining which assets to contribute.[4] About one-third (32%) report receiving guidance on the timing of making charitable donations, and only 29% report receiving advice about how much to contribute.[5]

FIGURE 1.1

**Role of Financial Advisors Among Donors**

*(% of DAF donors receiving substantial advisor help)*






# Strategic Benefits of DAFs in Financial Planning

In addition to providing an easily accessible historical record of past grants, DAFs also provide some great strategic benefits for clients, especially related to tax planning, estate planning, and investment management. Below are some highlights of how DAFs can help financial advisors in their charitable planning with clients.[6, 7, 8]

## Tax Planning

- Streamline tax records of charitable contributions
- Separate tax deduction timing from grantmaking
- Enable charitable contribution bunching by consolidating two or more years of giving into one year
- Offset liquidity events and high-income years (e.g., business sales, bonuses, exercised equity)
- Facilitate gifts of appreciated and complex assets not easily accepted by operating charities
- Easily divide large contributions into donations to multiple charities while simplifying record keeping
- Provide charitable options for managing capital gains exposure and marginal tax rates

## Estate Planning

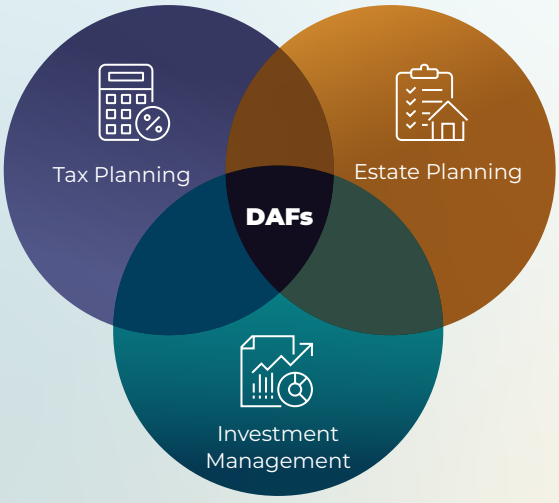
- Facilitate charitable intent without the complexity or cost of a private foundation
- Earmark defined portions of wealth for philanthropic purposes
- Engage family members in structured philanthropic decision making now and in the future
- Clearly distinguish which assets go to heirs and which go to charity

## Investment Management

- Improve diversification in a tax-efficient manner by donating concentrated positions instead of selling them
- Align DAF investment strategy with charitable time horizon (cash for near-term gifts vs. riskier investments for distant gifts)
- Access impact investing options (where sponsor policies allow)
- Integrate charitable capital into a broader portfolio strategy

FIGURE 1.2

**Strategic Benefits of DAFs**





## Gap in the Philanthropic Conversation

Financial advisors and their clients benefit when they discuss the clients' philanthropic goals; however, there's a disagreement in who typically initiates the conversation. The *US Trust Study of the Philanthropic Conversation* reports that clients expect their advisors to discuss their philanthropic goals.[9] In their 2018 report, nearly all financial advisors (91%) report that these discussions are important to have with their clients, and 80% of advisors report having these conversations.[10] Among clients who discuss philanthropy with their advisor, 53% report using one or more structured vehicles as part of their charitable giving, and almost half of advisors (47%) discuss their own charitable giving with their clients.[11] In fact, more than half of high-net-worth clients (53%) said they would be more open to discussing charitable giving if they knew about their advisor's own philanthropic efforts.[12]

However, when asked who initiates the philanthropic conversation, 61% of clients report that *they* initiate the conversation, compared to reporting that their advisor initiates the conversation only 6% of the time.[13] Advisors, on the other hand, report that they initiate the conversation 39% of the time, and their clients initiate only 18% of the time.[14]

Equally important is when, in the client-advisor relationship, the philanthropic conversation begins. In the same study, 29% of clients believe it should begin in the first meeting with their advisor, and over half (58%) believe philanthropy should be discussed within the first several meetings.[15] Clients are also interested in learning about their advisors' own charitable giving. Of those who discuss philanthropy with their financial advisor, over half (53%) reported that they would value their advisors' philanthropic advice more if they knew about their advisors' giving.[16]

# 2. Data and Methods

# Data and Methods

This study uses data collected from 669 financial advisors who responded to a survey about DAFs. The survey was developed using multiple focus groups with financial advisors and feedback from subject matter experts. The survey was sent to financial advisors via email and was promoted on social media by several institutional partners (see Acknowledgements). To respect the advisor's time and minimize respondent fatigue, display logic and randomization techniques were employed to keep the survey duration under 15 minutes.

The results presented here are statistics directly tabulated from the survey data. However, every key finding was ascertained using more rigorous regression modeling. Differences between advisor groups presented in the text were significant at the $p < 0.05$ level in both the relevant regression model and by simple pairwise correlation. Regression tables are available upon request. To reduce the time, question blocks were randomly assigned to respondents. Quotes from focus groups have been edited for grammatical clarity and pseudonyms are used to preserve confidentiality.

Most respondents (72%) describe themselves as client-facing financial advisors, with almost one-fourth (23%) identifying as owners or principals of their firm, whom we treat as client-facing advisors in addition to being the owner or principal of their firm. Only 5% report being an investment or portfolio manager as their primary role. Respondents report that 45% of their clients give to charity; 78% of respondents report at least moderate familiarity with DAFs; and 32% of respondents report using DAFs personally. Financial advisors in the study report that they've been using DAFs with clients for an average of seven years, where personal research is the primary way they learn about DAFs. Financial advisors report directly managing the DAF investments for about 45% of their clients who have DAF accounts, on average.

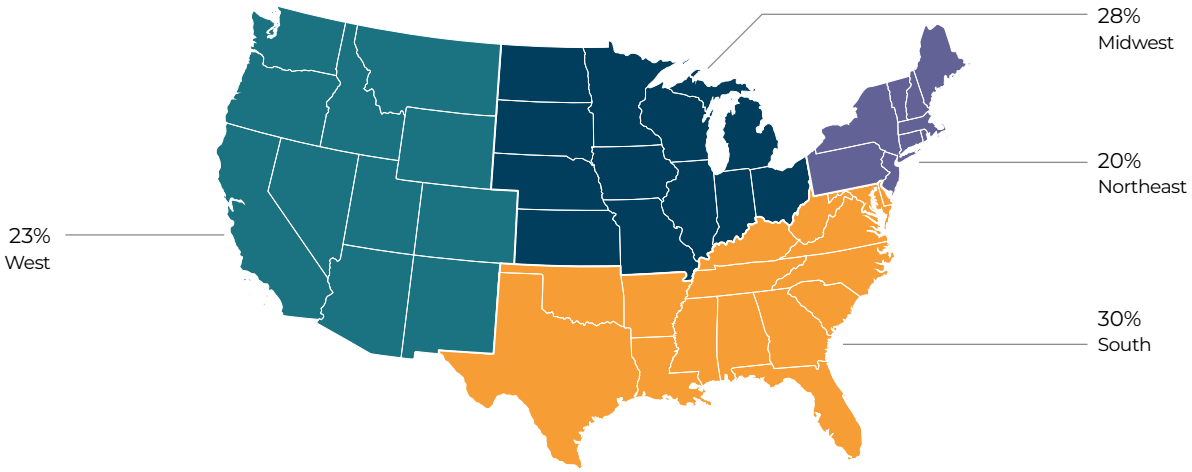
Respondents to the survey are generally experienced financial advisors with professional certifications. Half (50%) of the sample have been advising clients for at least 20 years, with another 29% of the sample having at least ten years of experience. Respondents report having a variety of credentials and designations; about half the sample (50%) are CFP® professionals, which fits the focus of the study. Other certifications include ChFC (16%), CLU (9%), and CFA (7%), among others.



Respondents are fairly evenly distributed throughout the US regions (see Figure 2.1). We find slightly more representation from the South (30%) and the Midwest (28%), compared to slightly fewer respondents from the West (23%) and the Northeast (20%).

FIGURE 2.1

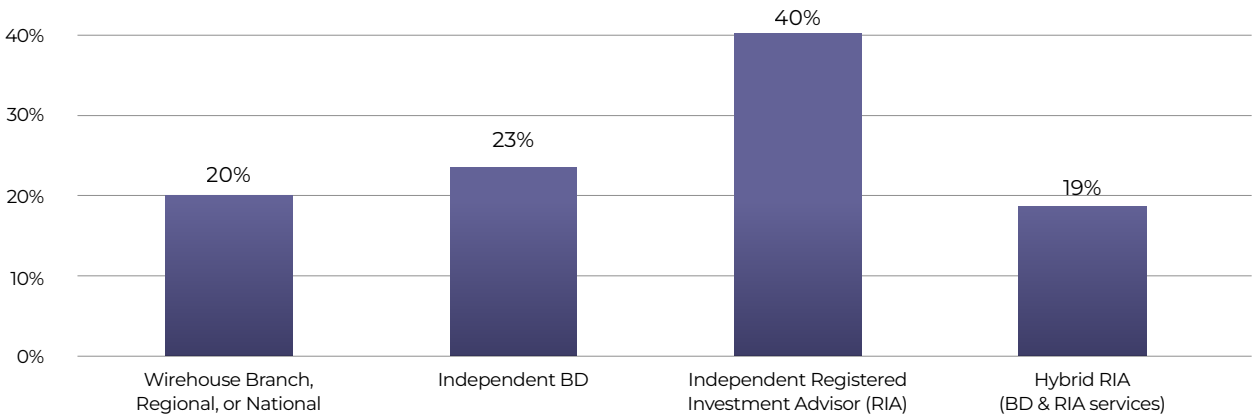
**Geographic Distribution of Survey Respondents**




Survey respondents work at a variety of firms, broadly representative of the advisor landscape (see Figure 2.2). The largest segment (40%) of the sample describe their firm as an independent Registered Investment Advisor (RIA); about one-quarter (23%) describe their firm as an independent broker-dealer (BD); one fifth (20%) work for a wirehouse branch, regional, or national BD; and 19% describe their firm as a hybrid RIA.

FIGURE 2.2

**Types of Firms where Respondents Work**

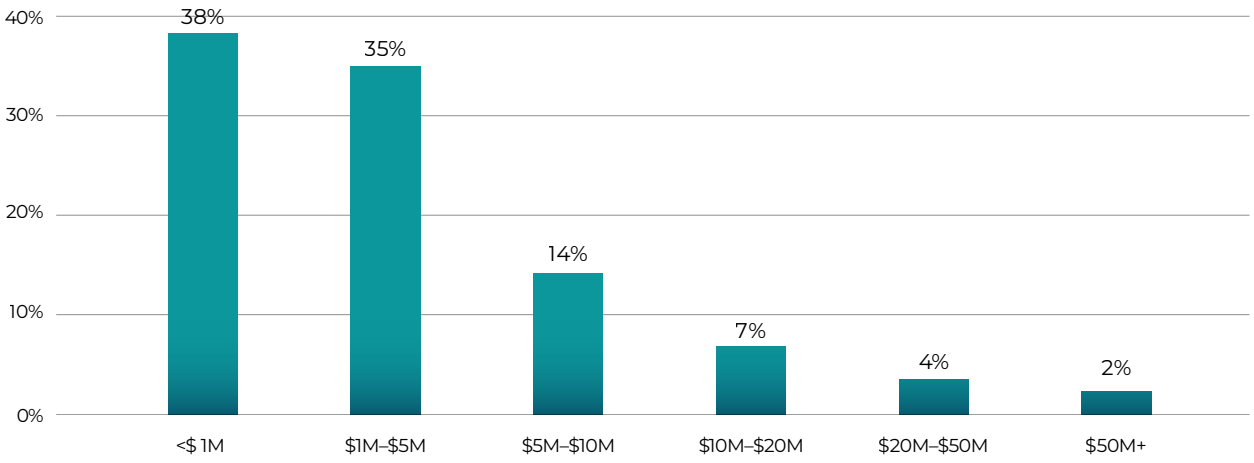



**Note: About 9% of respondents also describe their firm as either an Insurance BD, retail BD, Multi-Family Office, or Other.*

Financial advisors work with clients with a wide range of investable assets. Figure 2.3 shows the average percentages of financial advisors' client base in each investable asset range. The largest share of clients served by advisors in the study have less than $1 million in investable assets (38%), followed by those with $1–$5 million (35%). Clients with higher asset levels represent progressively smaller shares.

FIGURE 2.3

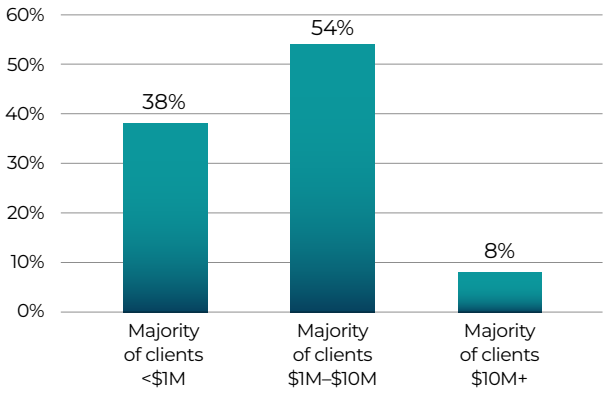
**Average Percent of Financial Advisors' Client Base within Investable Assets Ranges**




However, as shown in Figure 2.4, not all financial advisors reported the same distribution of client asset ranges. Some advisors (38%) report the majority of their clients with less than $1M of investable assets; about half (54%) have the majority of their clients with investable assets between $1–10M; and about 8% of advisors work with a majority of clients with $10M+ in investable assets.

FIGURE 2.4

**Percent of Advisors with Majority of Clients in Asset Ranges**






# 3. Financial Advisor Engagement with Charitable Planning

As noted above, financial advisors engage in various levels of charitable planning with their clients. This section reports on how, when, and what financial advisors do to engage clients in charitable planning.

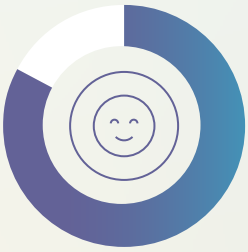
## On a Personal Note

Many financial advisors who took the survey are personally involved in charitable giving.





Almost two-thirds (64%) of the respondents reported, **"I regularly contribute to specific causes."**



And nearly all (83%) financial advisors reported at least a moderate amount of personally feeling **"a sense of fulfillment or satisfaction when supporting clients with their charitable giving."**



# Engaging Clients in Charitable Planning

Financial advisors can engage clients in charitable planning in various ways, whether directly or through referrals to other professionals. Figure 3.1 displays some of those ways.

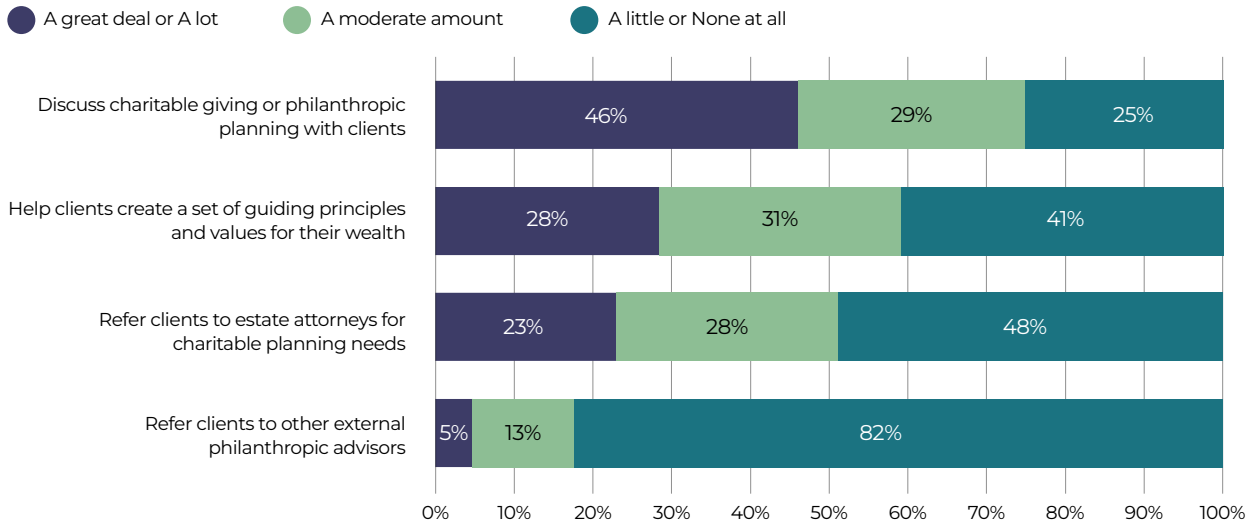
## Key Findings

- Three-fourths (75%) of financial advisors report having at least a moderate number of discussions with clients about charitable giving or philanthropic planning
- More than half (59%) help clients create guiding principles and values
- About half (52%) refer clients to estate attorneys
- Very few financial advisors (18%) refer clients to philanthropic advisors



FIGURE 3.1

**Ways to Engage Clients in Charitable Planning**



## Takeaways & Ideas for Improvement

- In line with the findings from the *US Trust Study of the Philanthropic Conversation*,[17] most financial advisors discuss charitable giving and philanthropy with their clients.
- A subset of financial advisors could engage more clients in discussions about charitable giving or philanthropic planning.
- An opportunity also exists for financial advisors to expand some of their clients' service teams to include philanthropic advisors.



# Why Some Advisors Don't Engage in Charitable Planning

Given their success, we asked financial advisors to reflect on why they think other advisors may not engage clients in charitable planning.

> They think it's like asking about religion. It's like, I shouldn't go there with somebody.

—JOSEPH, WEALTH ADVISOR, INDEPENDENT RIA, 22 YEARS OF EXPERIENCE

> If you're not trying to be holistic in your [financial planning] approach, then you can just stick to a very narrow set of solutions and say, that's just not my problem.

—MARIA, CO FOUNDER AND SENIOR ADVISOR, INDEPENDENT RIA, 8 YEARS OF EXPERIENCE

> It's the advisor that [says], 'I'm just going to stay in my lane, right? I just want to manage assets.... That's not my job, I guess. And then... I don't want to push that onto my staff to learn a new process and do more paperwork...

—DEREK, DIRECTOR OF INVESTMENTS / LEAD ADVISOR, AFFILIATED WITH AN INSURANCE COMPANY, 12 YEARS OF EXPERIENCE

# When to Discuss Charitable Planning

At what point in the client relationship does a financial advisor discuss the topic of charitable planning? In Figure 3.2, financial advisors report when they often or always discuss charitable giving at common check-in points with clients, where the responses are divided according to three differer financial advisor profiles based on the investable assets of the majority of their clients.

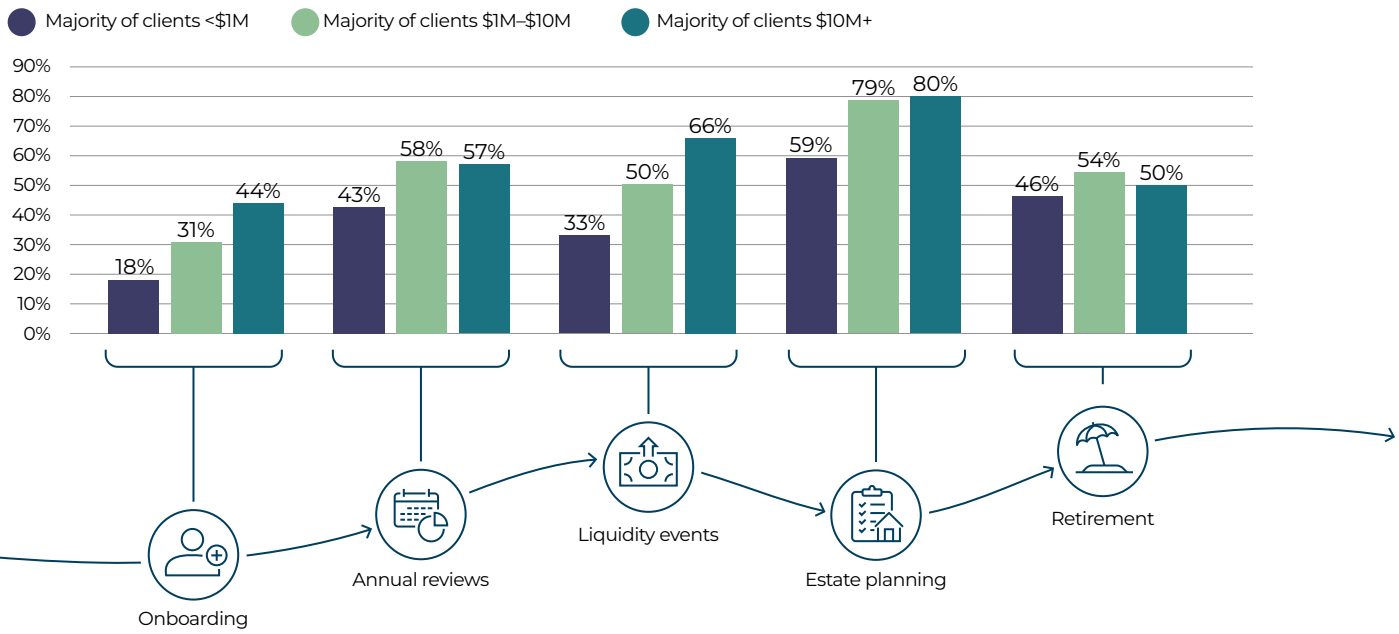
## Key Findings

- Charitable planning most often arises in the context of estate planning, with more than 95% of financial advisors reporting that they discuss it with clients at least sometimes as part of estate planning conversations.
- Financial advisors also commonly discuss charitable planning during annual reviews, with 91% reporting that they address it at least sometimes in those meetings.
- Charitable planning is least likely to arise during onboarding, with 37% of financial advisors reporting that it rarely or never comes up at that stage of the client relationship.
- Charitable planning discussions tend to increase in frequency, especially at onboarding and at liquidity events, when financial advisors focus on wealthier clients.

FIGURE 3.2

### When Financial Advisors Engage in Charitable Planning by Client Wealth Segment

*Percent of advisors who often or always engage in charitable planning at common check-in points with clients*





## Takeaways & Ideas for Improvement

- More financial advisors could engage clients in charitable planning during onboarding. Those who discuss charitable planning during onboarding are more aware of the client's charitable intentions and signal to clients that this is an area of planning expertise they can offer.
- Financial advisors who primarily focus on wealthier clients engage more often with clients about charitable giving and philanthropy, especially at onboarding, annual reviews, liquidity events, and estate planning.
- The fact that 18% of financial advisors rarely or never raise charitable planning during liquidity events highlights a meaningful opportunity at key life events to help charitably inclined clients reduce taxes while also amplifying their charitable impact.

## Insights from the Experts:

> "We'll bring [charitable giving] up in the early meetings and then annual reviews. It will always come up if there's a liquidity event where they might need to do some tax planning, then again, as they get older, with QCDs."

—CLARA, SENIOR WEALTH ADVISOR, INDEPENDENT RIA, 30 YEARS OF EXPERIENCE

# Focus Group Insights

Focus group conversations with successful financial advisors from across the country revealed that these advisors bring up the charitable planning conversation proactively, early, and often with all of their clients. These advisors engage their clients in conversations about philanthropy with confidence and expertise.



> "I've made it a point in my deep discovery and prospecting phase to make sure that asking about charitable intent is right up front in a first introductory conversation with clients. Because it's such an important part of most of my clients' journeys, it's also a place where we can add tremendous value."

> "People are usually pretty candid one way or the other. Sometimes it's, 'Okay, charity is a way that I can improve the world. It's a way I can show my kids how to make the world a better place,' or I do get this sometimes, too, 'You know, we're not in a position, or don't think that we're in a position to start giving charitably;' and either way I can help."

—GREGORY, PRINCIPAL, INDEPENDENT RIA, 17 YEARS OF EXPERIENCE



> "For me, we almost always talk about charitable giving during prospecting for a few reasons. One is that most ultra-high net worth individuals give at enough of a level where they can at least have a small DAF, right? It's a basic thing for a lot of our clients, even if they don't think of themselves as philanthropists."

—JOSEPH, WEALTH ADVISOR, INDEPENDENT RIA, 22 YEARS OF EXPERIENCE



> "I bring up charitable planning at the beginning of the conversation, or the introduction of the relationship, because I'll explain that's one of the focuses that I like to build my practice around. … No one has ever said 'I'm not going to use you as my advisor,' because [I] brought up charitable planning."

—BRIAN, FINANCIAL ADVISOR, INDEPENDENT RIA, 25 YEARS OF EXPERIENCE

For financial advisors looking for creative ways to approach the charitable planning discussion, consider building this into your practice:



> "We have surveys we send out [to clients] that let them rate how much they prioritize…different aspects, from 1 to 10. And if we get back that they're a 1 in philanthropy, we're probably not going to go any deeper, but if they're anywhere above a 3, we're probably starting to talk more about strategies we can be using."

—DEREK, DIRECTOR OF INVESTMENTS / LEAD ADVISOR, AFFILIATED WITH AN INSURANCE COMPANY, 12 YEARS OF EXPERIENCE

Financial advisors in the focus groups were mostly working with high net and ultra-high net worth clients, with growing books of business and successful teams. For financial advisors hoping to grow their practice and work with higher net worth clients, consider the comments from this focus group participant regarding an advisor's decision to intentionally build charitable planning into their practice:



> "I think if you decide not to incorporate [charitable planning], you're pretty squarely saying, I'm not going to work with high net worth, certainly not ultra-high net worth [clients]."

—DANICA, PRINCIPAL, INDEPENDENT RIA, 16 YEARS OF EXPERIENCE

# Charitable Planning Services

Not every advisor is positioned to guide clients through every aspect of charitable giving, but many may be able to provide more support than they realize. Financial advisors report on how often they offer common services related to charitable planning.

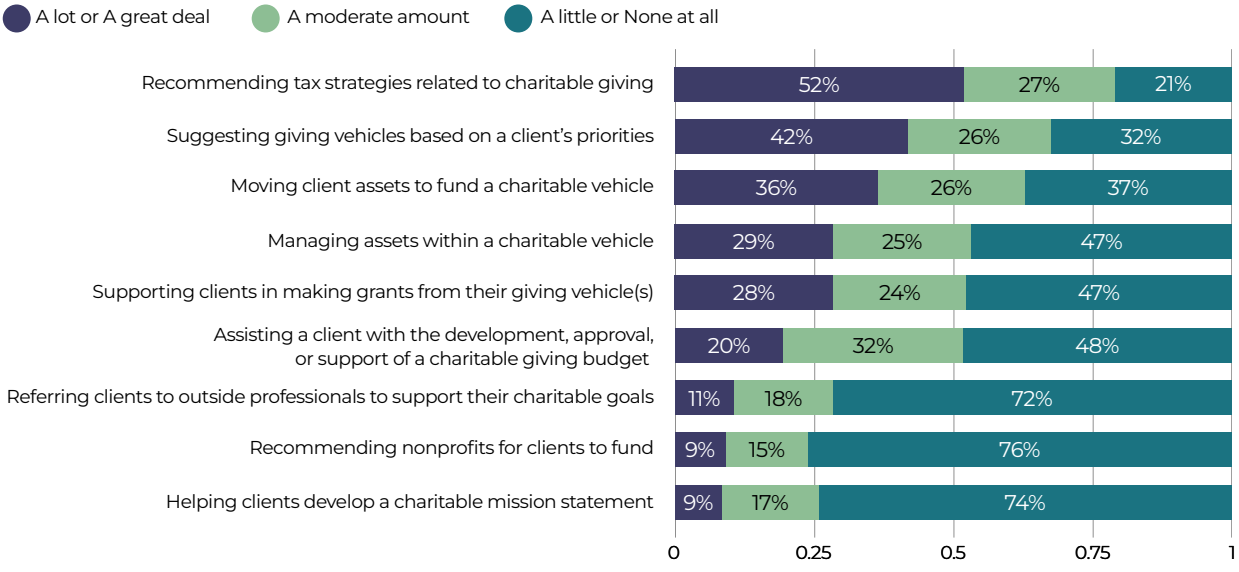
## Key Findings

- The most common charitable planning service financial advisors provide their clients is recommending tax strategies related to charitable giving, with 79% reporting at least providing a moderate amount.
- The next-highest service is to suggest giving vehicles based on a client's priorities, where about two-thirds of financial advisors (68%) report providing at least a moderate amount.
- Many financial advisors (63%) report at least a moderate amount of helping clients move assets into charitable giving vehicles (such as DAFs).



FIGURE 3.3

**Financial Advisor Involvement in Charitable Planning Services**




**Note: Some lines total more or less than 100% due to rounding*



## Takeaways & Ideas for Improvement

- Financial advisors provide a variety of charitable planning services, with tax strategies, guidance about giving vehicles, and moving and managing assets associated with charitable vehicles being the most common.
- More financial advisors could engage clients in these charitable planning services, as well as other less common services.
- Clients may be interested in more guidance about their giving budget, where almost half of financial advisors (48%) report providing no or little guidance about it.
- Clients with charitable goals likely need or expect support in all of these areas, so advisors should assess which of these services they will offer and then build out a network of colleagues to refer clients to when the need arises for support beyond the advisor's expertise.

## Insights from the Experts:

> "For anybody who's having a significant income year… I really like maximizing the efficiency of charitable dollars. When can we write off the tax rate that is the absolute highest… that's a particular reason why we might bring up a DAF."

—LIZ, PRINCIPAL, INDEPENDENT RIA, 16 YEARS OF EXPERIENCE

# Recommending Charitable Giving Vehicles and Approaches

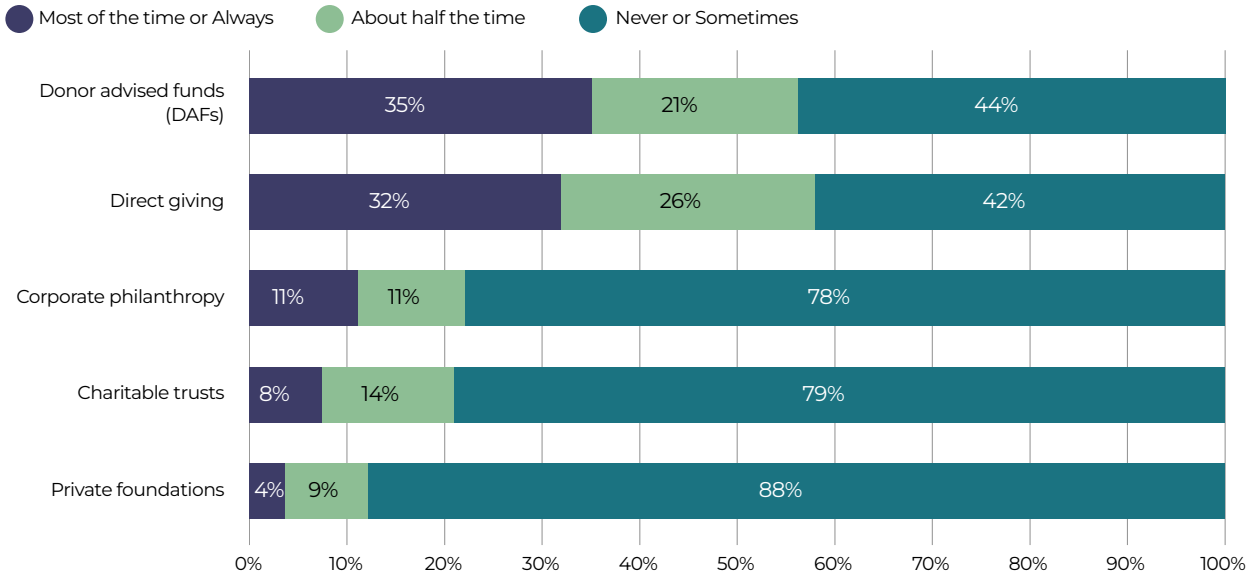
How often do financial advisors recommend different giving approaches to clients? In Figure 3.4, financial advisors report how often they recommend a variety of giving vehicles and approaches for clients to use to accomplish their charitable giving objectives.

## Key Findings

- Direct giving is the most commonly recommended giving approach, with 58% of financial advisors reporting recommending this approach at least half of the time.
- DAFs are the next most commonly recommended giving approach, with 56% of financial advisors recommending them at least half of the time.
- A significant number of financial advisors (42–44%) never or sometimes recommend these common approaches to charitable giving, with 10% of financial advisors reporting that they "never" recommend a DAF.
- Private foundations are the least commonly recommended giving vehicle, where only 12% of financial advisors recommend them to their client at least half of the time.

FIGURE 3.4

**Frequency of Recommending Charitable Giving Vehicles and Approaches**




**Note: Some lines total more or less than 100% due to rounding*

## Takeaways & Ideas for Improvement

- A majority of financial advisors in the study see the value of recommending DAFs and direct giving in fulfilling their clients' charitable giving objectives.
- It's much less common for financial advisors to recommend corporate philanthropy, charitable trusts, and private foundations for their clients.
- Because DAFs can offer many of the same benefits as direct giving, along with additional flexibility and control, more financial advisors could be discussing the beneficial use of DAFs with their clients.



# 4. DAF Recommendations by Financial Advisors

In the previous section, we reported how financial advisors engage their clients in charitable planning in a variety of ways, and DAFs are a common vehicle they recommend to clients. This section dives deeper into the scenarios where financial advisors recommend DAFs to their clients.

# Advisor Use of DAFs

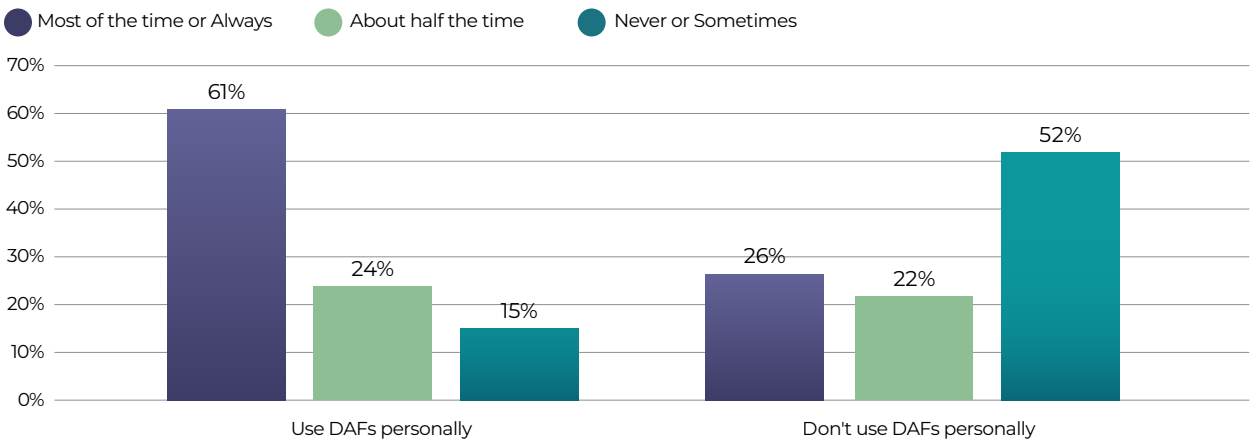
Personal use of DAFs can influence a financial advisor's likelihood to recommend DAFs to the clients they serve. For an advisor to use a DAF for their personal charitable giving suggests a level of familiarity with DAFs and a recognition of their benefits. Figure 4.1 compares financial advisors in the study who don't use DAFs personally to those who do.

## Key Findings

- There's a strong association between personal DAF use and the likelihood of recommending DAFs to clients, where 61% of financial advisors who personally use a DAF most of the time or always recommend DAFs to their clients.
- In contrast, only 26% of financial advisors who don't use a DAF for their personal charitable giving recommend DAFs most of the time or always.
- Conversely, of the advisors who never or sometimes recommend a DAF to their clients, 52% don't personally use a DAF themselves, as compared to 15% who do.

FIGURE 4.1

**Frequency of Recommending DAFs by Advisor Use of DAFs**



## Takeaways & Ideas for Improvement

- Hands-on familiarity with DAFs matters. Financial advisors who have personal experience with DAFs have a much higher likelihood of recommending DAFs to clients than those who don't use DAFs personally.
- Because using DAFs personally can improve knowledge of best-use practices, financial advisors seeking to increase their confidence in recommending DAFs to clients can consider opening a DAF for their personal charitable giving.
- Financial advisors who use DAFs themselves can also share their own personal experiences using DAFs, which can be beneficial for their clients to know.

## Insights from the Experts:

> "I personally have a [National Sponsor] DAF. So I know the ins and outs of that really well, and most of my clients custody at [National Sponsor]. So I'm pretty good at being able to answer those types of questions."

—RACHEL, PARTNER, SENIOR WEALTH ADVISOR, INDEPENDENT RIA, 20 YEARS OF EXPERIENCE

# Advisor Fulfillment from Client Philanthropy

Financial advisors often find personal satisfaction or fulfillment from working with their clients. The same can be true specifically as they assist their clients with their charitable giving, especially because of the impact their clients can make through their philanthropy. Figure 4.2 compares financial advisors with differing levels of personal fulfillment from their clients' philanthropy and how frequently they recommend DAFs to their clients.

## Key Findings

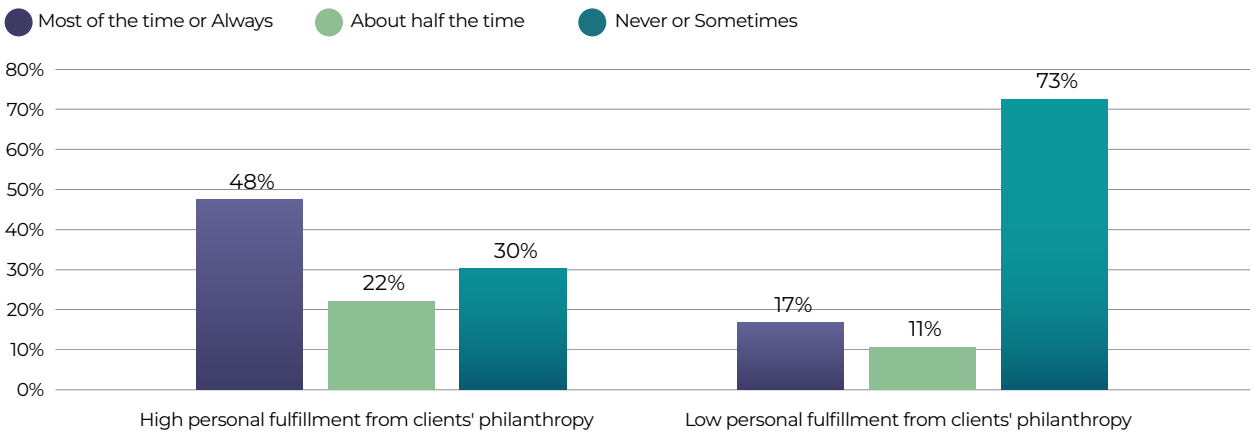
- Financial advisors who report a high sense of personal fulfillment from their clients' charitable giving recommend DAFs at a high rate (48%), as compared to 17% of financial advisors who report a low sense of personal fulfillment from clients' philanthropy.
- Conversely, 73% of financial advisors who report a low sense of personal fulfillment from their clients' charitable efforts never or sometimes recommend DAFs to their clients, as compared to 30% of financial advisors who report a high sense of satisfaction from their clients' philanthropy.

## Takeaways & Ideas for Improvement

- Financial advisors who feel good when their clients give are more likely to recommend DAFs.
- Cultivating financial advisor fulfillment from their clients' giving could increase the likelihood of recommending DAFs to their clients.
- Financial advisors who enjoy helping their clients give can share those feelings with their clients.
- Financial advisors seeking to enhance their personal fulfillment from their clients' philanthropy can consider asking their clients to describe the satisfaction they receive from their giving.

FIGURE 4.2

**Frequency of Recommending DAFs by Advisor Fulfillment from Client Philanthropy**



# Length of Time Using DAFs with Clients

Familiarity with DAFs naturally increases the longer they are used. Likewise, how long financial advisors have been using DAFs with clients can influence their likelihood of recommending DAFs to their clients. Figure 4.3 separates the sample according to the length of time financial advisors have used DAFs with clients to analyze how likely they are to recommend DAFs to their clients.

## Key Findings

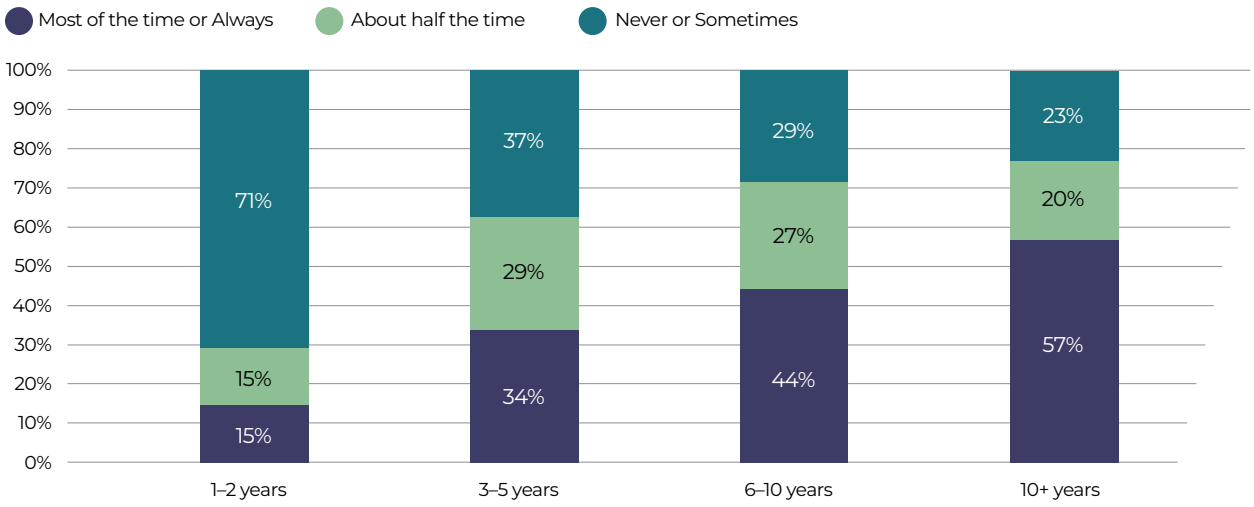
- 57% of financial advisors who have been using DAFs with clients for over 10 years report recommending DAFs most of the time or always.
- Conversely, only 15% of financial advisors with less experience helping clients with DAFs (1–2 years) report recommending DAFs at high levels.
- As financial advisors gain experience using DAFs with clients, they steadily increase the frequency with which they recommend DAFs for their clients.

## Takeaways & Ideas for Improvement

- The longer financial advisors have been recommending DAFs, the more likely they are to recommend DAFs to clients.
- Encouraging early adoption of DAFs among financial advisors can help them build experience in using DAFs as they progress throughout their career.
- Pairing financial advisors who have more DAF experience with financial advisors who have less DAF experience could help accelerate the familiarity with DAFs.

FIGURE 4.3

**Frequency of Recommending DAFs by Length of Time Using DAFs with Clients**




**Note: Some lines total more or less than 100% due to rounding*

# DAF Recommendations by Client Wealth Segment

Financial advisors often focus on clients with different levels of wealth. Figure 4.4 looks at three different financial advisor profiles based on the investable assets of the majority of their clients, which shows a difference in the level of recommending DAFs to their clients.

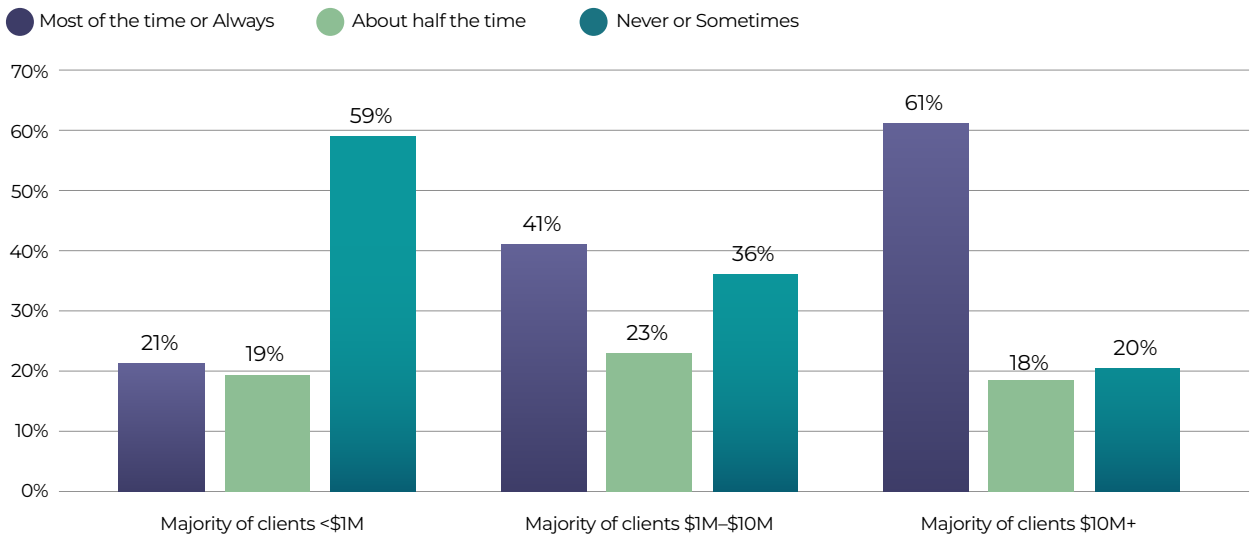
## Key Findings

- Financial advisors who primarily work with clients with more than $10 million are very likely (61%) to recommend DAFs to their clients.
- Conversely, only 20% of financial advisors who serve higher net worth clients never or sometimes recommend DAFs.
- When clients have investable assets of less than $1 million, their financial advisors recommend DAFs less often, although approximately one-fifth (21%) still recommend DAFs most of the time.



FIGURE 4.4

**Frequency of Recommending DAFs by Client Wealth Segment**




**Note: Some lines total more or less than 100% due to rounding*

## Takeaways & Ideas for Improvement

- Financial advisors who primarily serve higher net worth clients are more likely to recommend DAFs.
- There's an opportunity for some financial advisors serving wealthier clients to increase how often they recommend DAFs to their clients.
- Even financial advisors who primarily serve lower net worth clients may have more opportunities to recommend DAFs than they realize.
- Financial advisors aspiring to serve higher net worth clients ought to be familiar with DAFs to best serve those clients.



# 5. Advantages and Motivations of Using DAFs

As mentioned previously, there are a variety of ways DAFs can be a valuable vehicle for clients and their financial advisors. This section explores the advantages and motivations for advisors to recommend DAFs to their clients.

# Reasons to Recommend DAFs to Clients

Financial advisors consider multiple factors when recommending a strategy to a client. Figure 5.1 summarizes how advisors rate the importance of common DAF features and benefits in reference to their likelihood of recommending a DAF to a client.

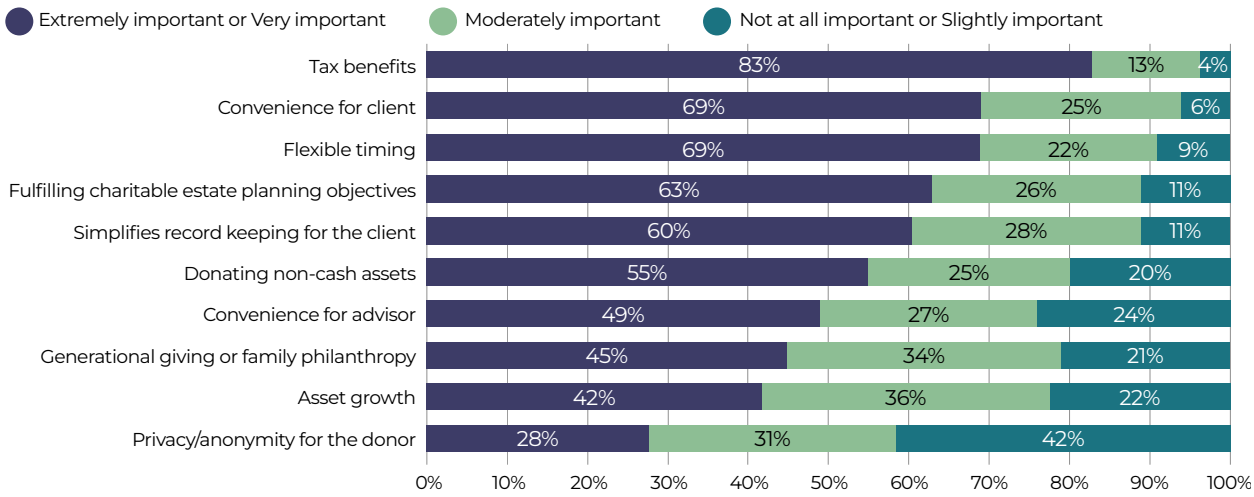
## Key Findings

- Tax benefits are the strongest motivation, with 83% of financial advisors reporting that tax benefits are very or extremely important in their consideration to recommend DAFs to their clients.
- Client convenience and flexible timing are the second and third-strongest motivations, with 69% of financial advisors reporting each to be very or extremely important to a DAF recommendation.
- Charitable estate planning objectives (63%), simplifying record keeping (60%), and donating non-cash assets (55%) are also strong motivators for financial advisors to recommend DAFs to their clients.
- Asset growth and anonymity are not strong motivations, with only 42% and 28% of financial advisors reporting that these are extremely or very important for recommending a DAF to clients.



FIGURE 5.1

**Reasons to Recommend DAFs to Clients**



## Takeaways & Ideas for Improvement

- Tax benefits, client convenience, and timing flexibility are the top three motivations for financial advisors to recommend DAFs to clients. Advisors can often highlight these benefits when discussing DAFs with their clients.
- With a goal of tax efficiency, more advisors could be motivated to help clients donate non-cash assets, where donating appreciated securities (and reducing capital gains taxes) could become the default mode of giving (rather than cash) for charitably inclined clients.
- For clients who dislike public recognition for their giving, more financial advisors could highlight the option DAFs provide for anonymous or confidential giving.



# Advisor Motivations for Recommending DAFs

In addition to motivations that could be beneficial for clients, financial advisors can also be impacted by their own motivations. Figure 5.2 reports how financial advisors rate the importance of various motivations for recommending DAFs in accomplishing the advisor's own objectives.

## Key Findings

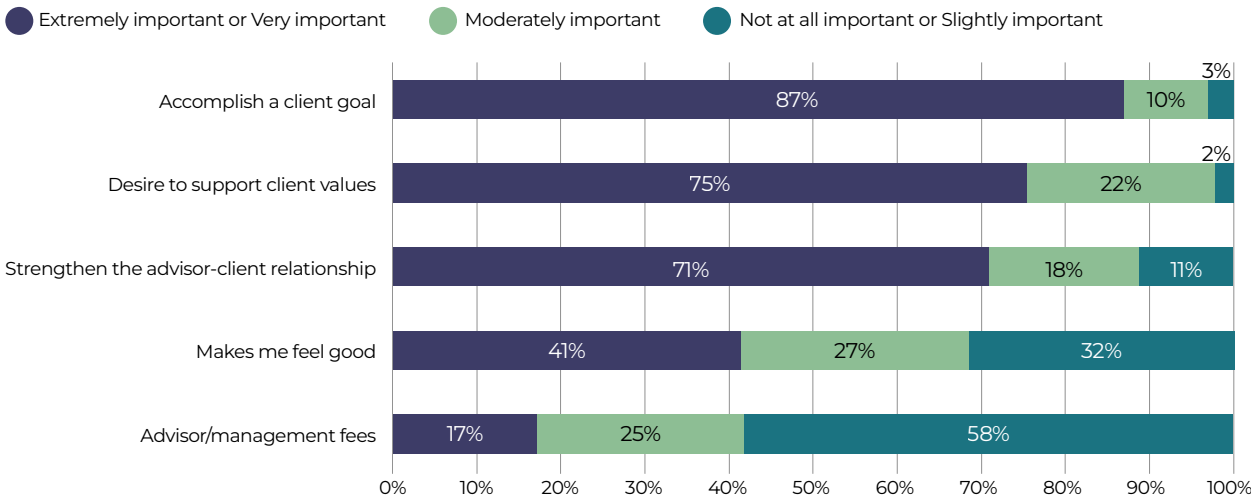
- Accomplishing client goals is the dominant motivation, where 87% of financial advisors report it being very or extremely important when recommending DAFs to clients.
- Supporting client values is the next biggest motivation for financial advisors, with 75% of financial advisors reporting it being very or extremely important when recommending DAFs.
- Strengthening the client-advisor relationship is the third highest motivation (71%) for financial advisors to recommend DAFs.
- 41% of financial advisors cite feeling good as very or extremely important to their motivation for recommending a DAF to a client.

## Takeaways & Ideas for Improvement

- When recommending a DAF to a client, consider framing the recommendation around accomplishing specific client goals that support the client's values, such as tax-efficient charitable giving, providing flexibility regarding the timing of making grants, and simplifying tax recordkeeping.
- Financial advisors often find that recommending DAFs strengthens the client-advisor relationship, which can be a way for advisors as well as their clients to benefit from using DAFs to facilitate charitable donations and their clients' philanthropic objectives.

FIGURE 5.2

**Advisor Motivations for Recommending DAFs to Clients**



# Advisor Services Related to DAFs

Financial advisors can provide their clients with various services regarding DAFs, especially when they have direct access to the client's DAF. For example, financial advisors might assist clients with setting up a DAF account, facilitating contributions to the DAF, or managing investments within the DAF. In Figure 5.3, financial advisors report on the types of services related to DAFs that they provide their clients.

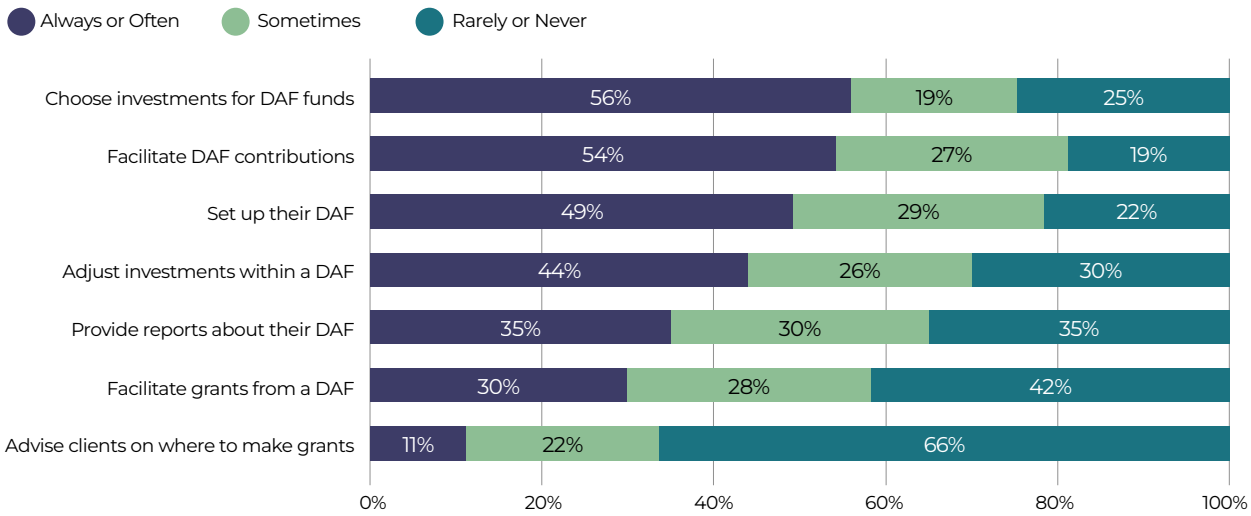
## Key Findings

- The most common service is choosing investments for funds within a DAF, with 56% of financial advisors reporting that they often or always provide that service.
- Facilitating contributions to a DAF is another very common service for financial advisors to provide often or always (54%).
- Setting up a DAF account is the third most common service for financial advisors to provide, where 49% report often or always providing assistance with setting up a DAF.
- Only 11% of financial advisors report often or always advising clients regarding where to make grants.



FIGURE 5.3

**Related Services to DAFs that Financial Advisors Provide**



## Takeaways & Ideas for Improvement

- Setting up a DAF, contributing funds to a DAF, and choosing investments within a DAF are the most common services financial advisors report providing to their clients regarding their DAFs.
- There's a possible disconnect regarding the services financial advisors provide, where advisors may feel like they don't want to impose on their clients' charitable intent regarding their philanthropic objectives, yet clients would likely appreciate guidance on how to evaluate the efficacy and potential impact of their donations.
- Financial advisors could provide more guidance on how to evaluate charities for potential grants. They can also connect their clients with resources or philanthropic advisors to assist with grantmaking.



# 6. Barriers and Challenges to Using DAFs

When financial advisors recommend DAFs for charitable giving, clients may encounter barriers to begin using the vehicle. Additionally, once clients begin using a DAF, they may face challenges in using it effectively. This section reports on the perceived barriers to establishing DAFs and challenges to using them.

# Barriers to Opening a DAF

When advising clients on whether to open a DAF, financial advisors are mindful of the concerns that may influence that decision. Figure 6.1 reports some reasons why clients may not want to open a DAF.

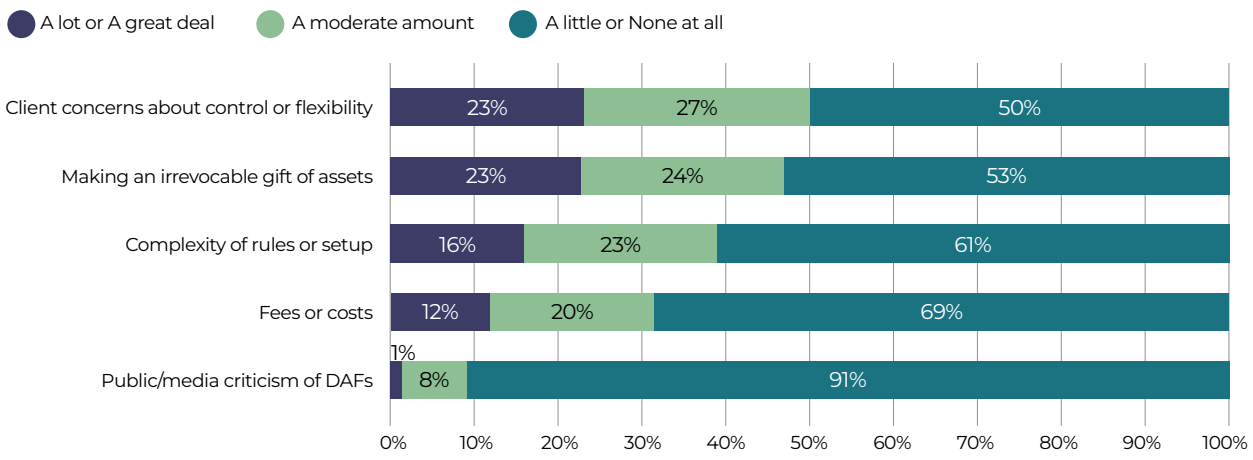
## Key Findings

- The two biggest client concerns, as reported by financial advisors, are closely related. About half of financial advisors report the loss of control and flexibility (51%), which comes from making an irrevocable gift of assets (47%) into a DAF, as a moderate or major concern.
- 39% of financial advisors felt that the complexity of rules regarding DAFs was a moderate or major concern.
- Relatively few financial advisors (32%) thought that fees or costs were of moderate or major concern to their clients.



FIGURE 6.1

**Barriers for Clients to Open a DAF**



## Takeaways & Ideas for Improvement

- While financial advisors should be ready to address client concerns around DAFs and ensure clients understand the rules of opening a DAF, most financial advisors do not think the concerns about opening a DAF were a significant barrier for their clients.
- Financial advisors who can explain DAFs in a simple way can help their clients overcome a potential barrier of their perceived complexity.
- Clients are not being swayed by negative media. While some financial advisors may be aware of public critiques of DAFs, they don't seem to think that their clients take this criticism into account when setting up a DAF.



# Challenges to Using a DAF

Once established, DAFs can be fairly easy to use and manage, but some challenges persist. Financial advisors report in Figure 6.2 about how big a challenge these common issues with DAFs are for their clients.

## Key Findings

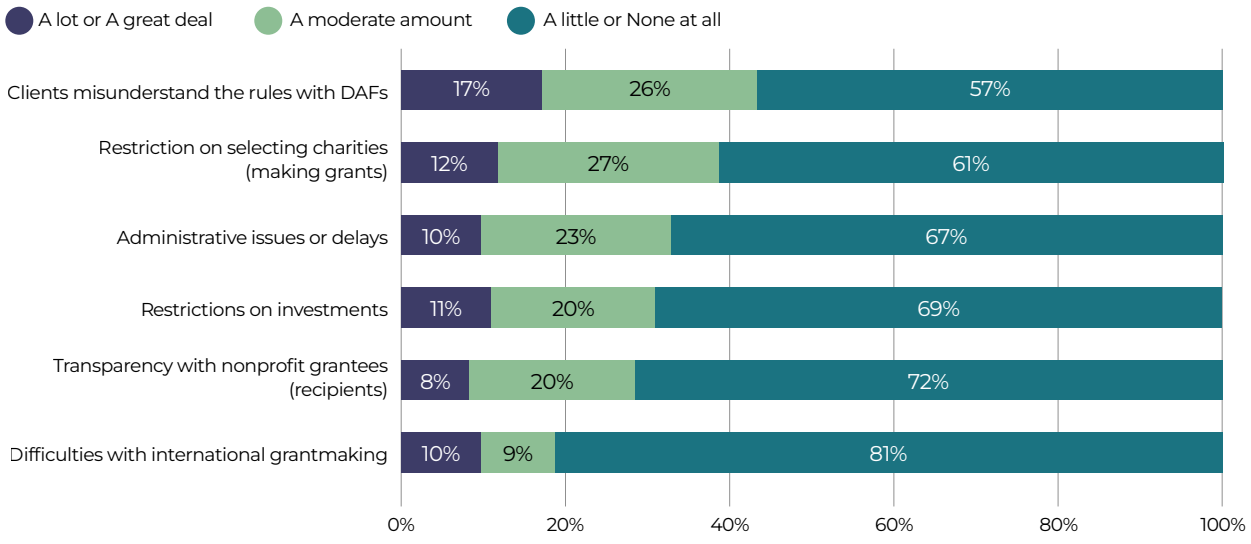
- The biggest problem seems to be understanding the rules related to DAFs, where 43% of advisors report clients misunderstanding them as a moderate or major concern.
- About 39% of financial advisors think their clients have a hard time with grantmaking restrictions.
- About one-third (34%) of advisors think clients are challenged by administrative issues or delays.

## Takeaways & Ideas for Improvement

- Starting seems to be the biggest hurdle. Once clients start using a DAF, chances are they will experience few if any challenges.
- When an advisor recommends or sets up a DAF for a client, they should ensure their client clearly understands the rules and restrictions, as well as the benefits, of maintaining that account.

FIGURE 6.2

**Challenges Clients Face When Using a DAF**



# Conclusion

This report highlights the increasingly central role financial advisors play in shaping charitable giving for their clients through DAFs. Across focus groups and survey responses, financial advisors report frequent engagement in charitable planning, with DAFs emerging as one of the most commonly recommended giving vehicles after direct giving. Financial advisors view DAFs as a flexible, tax-efficient tool that supports client convenience, simplifies recordkeeping, and enables more strategic timing of charitable contributions.

Financial advisor recommendations are strongly influenced by client wealth levels, where advisors focusing on clients with higher levels of wealth are more likely to recommend DAFs to their clients. Financial advisors who use DAFs personally and those who derive a sense of personal fulfillment from their clients' giving are also more likely to recommend DAFs.

The findings also reveal meaningful opportunities to enhance the approach financial advisors take regarding charitable planning and DAFs. For example, financial advisors could initiate charitable conversations earlier in the client relationship, even during the onboarding process. They can also provide more guidance regarding client giving budgets and how to evaluate the potential efficacy of their clients' charitable donations. Some financial advisors could also enhance how often they discuss opportunities for clients to establish or contribute to a DAF, such as surrounding client liquidity events. Financial advisors perceive client barriers to adopting DAFs to be limited, with the largest concern being the control or flexibility of the DAF. The challenges advisors perceive their clients facing after opening an account also appear to be minimal, with the largest concern being clients misunderstanding the rules regarding DAFs.

As DAF usage continues to expand nationwide, financial advisors who are familiar with DAFs are well positioned to guide their clients to more intentional, simpler, tax-efficient philanthropy. Additionally, financial advisors who enhance their familiarity and services regarding DAFs can play an important role in helping clients use DAFs to achieve their charitable goals and philanthropic objectives.



# About the DAFRC

The DAFRC's mission is to conduct empirical research that enhances the public understanding of DAFs. The DAFRC was co-founded by Dr. H. Daniel Heist of Brigham Young University and Dr. Danielle Vance-McMullen of DePaul University. Partnering with academic scholars, industry experts, and philanthropic practitioners, the DAFRC is committed to providing rigorous, data-driven insights for the sector. Expanding our research efforts to include financial advisors as key stakeholders in the use of DAFs is intended to broaden our ability to inform the public beyond the bounds of the nonprofit sector.

# About the Principal Investigators



### Dan Heist

H. Daniel Heist, Ph.D., is an Assistant Professor of Nonprofit Management and Social Impact at the George W. Romney Institute for Public Service and Ethics at Brigham Young University. He researches philanthropy, charitable giving, and volunteering. His nine years of professional fundraising experience inform his research. Dr. Heist is a leading expert on DAF research and is a co-founder of the Donor Advised Fund Research Collaborative.



### Benjamin Cummings

Benjamin F. Cummings, Ph.D., CFP® is an Associate Professor and Program Director of the Master of Science in Finance (MSF) program at Utah Valley University, where he teaches in the nationally recognized financial planning and wealth management program. Benjamin researches financial decision making and charitable planning, drawing on his experience as a financial advisor and educator across multiple institutions.



### Erinn Andrews

Erinn Andrews is a social sector entrepreneur and the Founder & CEO of GiveTeam, a philanthropic planning practice that collaborates with financial advisors to help clients develop a charitable mission statement and identify local nonprofits to fund. Previously, she led a research lab at Stanford's Center on Philanthropy and Civil Society and oversaw nonprofit strategy at GuideStar. While there, she developed and launched the GuideStar bronze, silver, gold, and platinum levels of distinction for nonprofits. Erinn serves as the President on the national Advisors in Philanthropy board and holds an MA and BA from Stanford University.



### Russell James

Russell N. James, III, J.D., Ph.D., CFP® is a professor in the School of Financial Planning at Texas Tech University, where he holds the CH Foundation Chair in Personal Financial Planning and directs the graduate program in Charitable Financial Planning. His research focuses on charitable giving, charitable estate planning, and behavioral and neuro-economic influences on donor behavior. He has published extensively and has been featured in major media outlets covering philanthropy and financial behavior.



### Jon Bergdoll

Jon Bergdoll is the Interim Director of Data and Research Partnerships at the Indiana University Lilly Family School of Philanthropy and the managing director of Giving USA. He leads statistical modeling, econometric analysis, and data strategy for major philanthropic research projects.

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Lastly, and most importantly, we thank the several hundred financial advisors who took the time to respond to the survey and give us their honest feedback on how they engage their clients in giving to charity.

*DAFgiving360™ is an independent 501(c)(3) public charity with a mission to increase charitable giving in the U.S. DAFgiving360 does this by providing the tax-smart and simple giving solution of a donor-advised fund (DAF) account to donors and financial advisors. Since our founding in 1999 as a 501(c)(3) public charity, DAFgiving360 donors have recommended over $50 billion in grants to 295,000 charities. Visit dafgiving360.org to learn more.*

*DAFgiving360™ is the name used for the combined programs and services of Donor Advised Charitable Giving, Inc., an independent nonprofit organization which has entered into service agreements with certain subsidiaries of The Charles Schwab Corporation. DAFgiving360 is a tax-exempt public charity as described in Sections 501(c)(3), 509(a)(1), and 170(b)(1)(A)(vi) of the Internal Revenue Code. 0526-39TC*

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