DAF RESEARCH COLLABORATIVE



Financial Planning in the Age of Donor Advised Funds

Executive Summary

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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.