

# Welcome to our Webinar

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ACCELERATE

# Year-End Giving

*The Power of DAF Fundraising*



**Mitch Stein**  
Head of Strategy, Chariot



Wednesday, July 10, 2024





# Let's Get Started!

If you could have dinner with any historical figure, who would it be?



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# Meet Our Presenter

Mitch Stein is a social entrepreneur, community builder, and impact innovator. He is currently the Head of Strategy for Chariot, a Donor-Advised Fund solution for nonprofits to solicit, maximize, manage, and steward DAF donors and their gifts.

Mitch previously founded a nonprofit marketplace and community called Pond after leaving his role as a VP on Goldman Sachs' Technology Investment Banking team.

He's a long-time board member at The LGBT Center of NYC and an active alum of the Startup Leadership Program NYC.



**Mitch Stein**

Head of Strategy  
Chariot

# Agenda

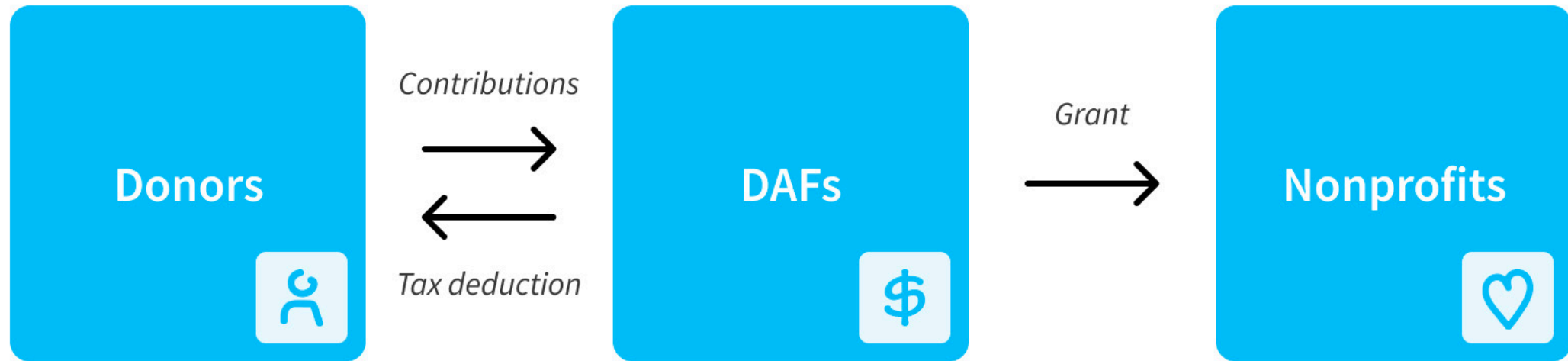
- 1 Donor Advised Funds 101
- 2 The DAF Opportunity for Nonprofits
- 3 DAFpay Overview
- 4 A Proactive DAF Strategy
- 5 Action Items: Your next steps



# **Donor Advised Funds 101**

# DAFs: a tax-advantaged account for charitable giving

Donor Advised Fund accounts allows donors to make a **charitable contribution**, receive an **immediate tax deduction** and then **recommend grants** to tax-exempt organizations over time.

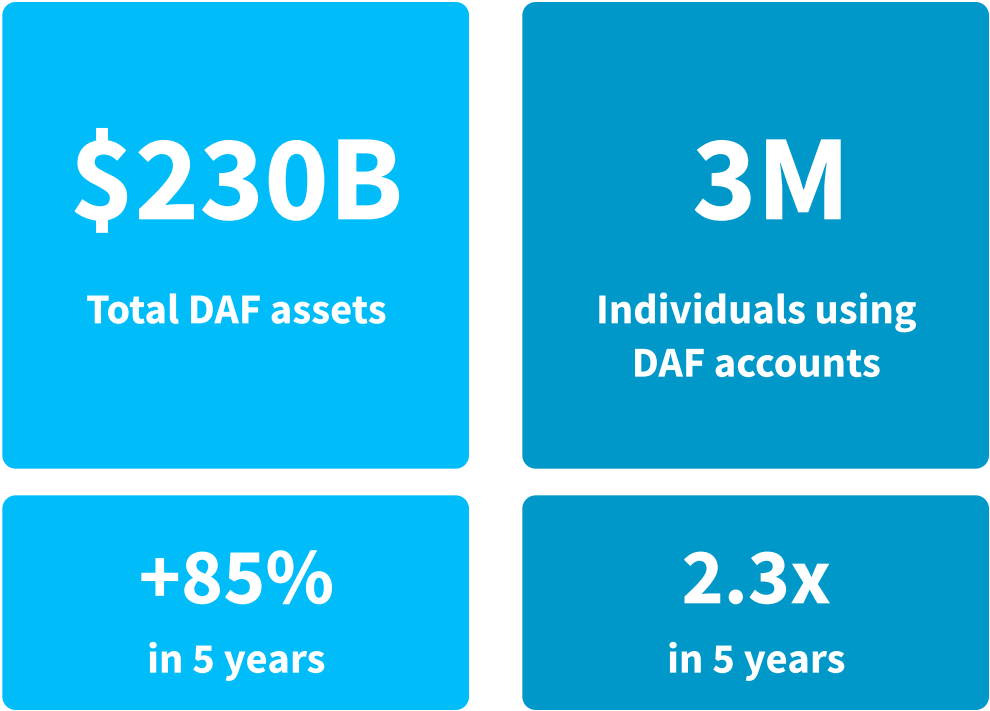




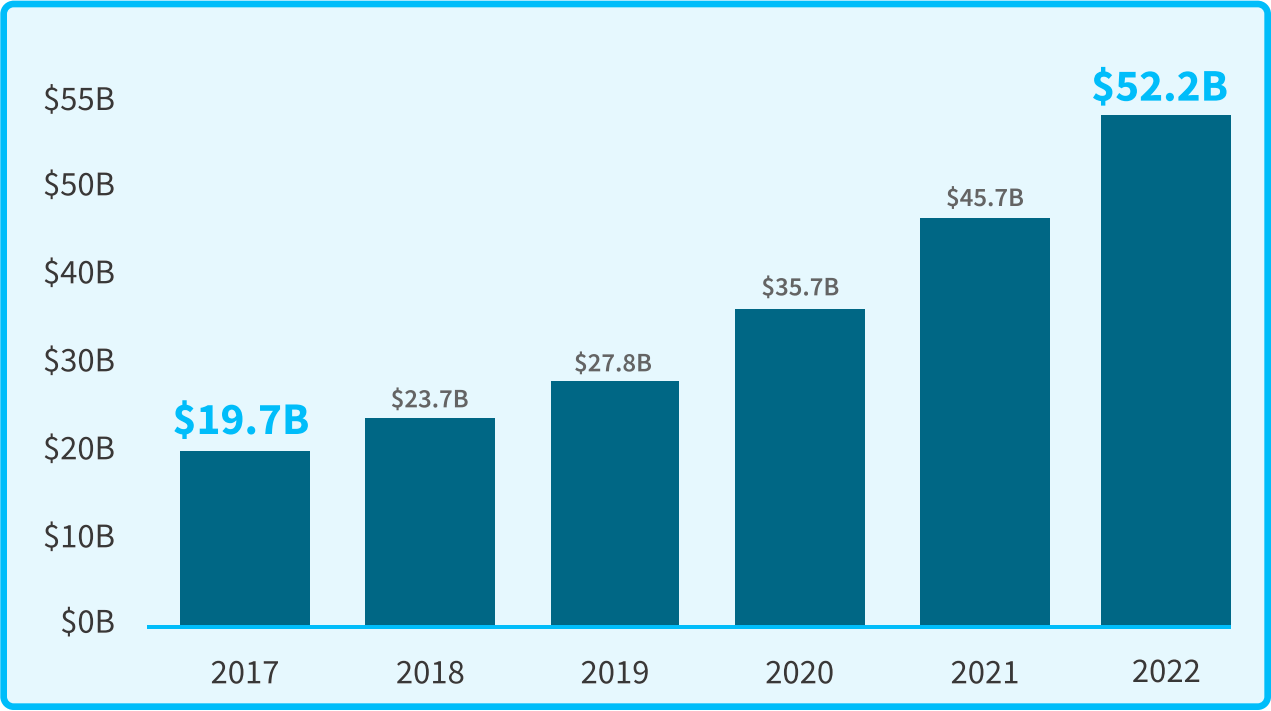
# Why is everyone talking about DAFs?

DAFs are the **fastest growing vehicle** in philanthropy.

## Gaining Mainstream Adoption



## From 7% to 17% of US philanthropy since 2017



Source: National Philanthropic Trust 2023 DAF Report  
Note: +22% annually based on last 5 year average.

# Why are DAFs growing so much?

This rapid change is driven by:

1

More accessible platforms & DAF structures



FIDELITY Charitable\*



CHARITYVEST

2

Improvements to personal philanthropy

Organization | Accountability | Capacity

3

Core element of financial planning



CERTIFIED  
FINANCIAL  
PLANNER™

4

DAFs as an employee benefit

:Daffy

Morgan  
Stanley

groundswell

5

Strong Market Performance



+200%  
10yr return



+54%  
of DAF inflow is public securities

6

2017 tax code changes

\$29,200 2024 standard deduction for married joint filers



# **The DAF Opportunity**

# Why do DAFs matter so much to nonprofits?

**3M+**

Americans using  
DAF accounts

**\$177k**

Average DAF  
account size

**23x**

larger gifts from DAFs  
than credit cards

While DAFs are a valuable tool for wealthy individuals, they are also being **adopted by a broader audience** of digital & intentional donors

1/4 DAFs opened  
since 2020

Median Account  
<\$20k at Fidelity

97% of donors manage  
Fidelity DAFs digitally



# DAF Benchmark study reveals real impact

Preliminary findings from the first-ever Nonprofit DAF Benchmark study  
Will be published in mid-July

DAF Donors are the most critical  
source of growth in this challenging  
fundraising environment

What we learned about changes in  
donor behavior once they start  
using a DAF

## 5 year Change

DAF donors

>75%

Non-DAF donors

Declining

~2x

Giving Increase

1/3

First gave outside  
their DAF

# Why aren't we raising more from DAFs?

## Low Awareness

Donors with DAFs don't think to use them

Other donors could be using DAFs, and giving more to your organization, but aren't familiar with them

## Poor Donor Experience

It's a clunky experience to give from a DAF, so donors either:

- Give a smaller credit card gift
- Don't give

DAF donors are typically poorly stewarded

“Honestly, donating from my DAF is a very lonely experience. I almost never hear anything from an organization after I give” - *DAF donor, open an account in 2023*

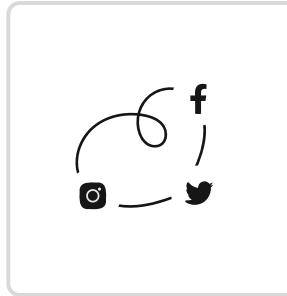
# The DAF Donor Journey

4 webpages

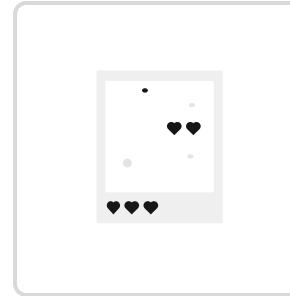
10 redirects

15 clicks

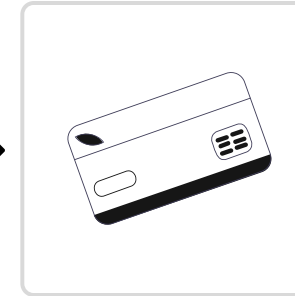
1 Donation trigger



2 Charity page



3 No DAF option



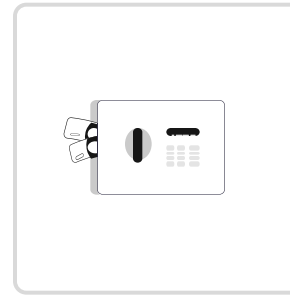
4 Go to DAF site



5 Account login



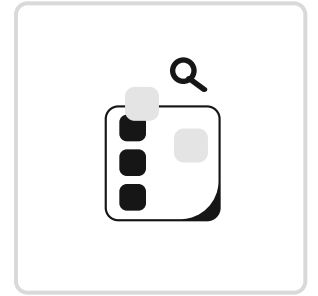
6 Check balance



7 Initiate grant



8 Find EIN



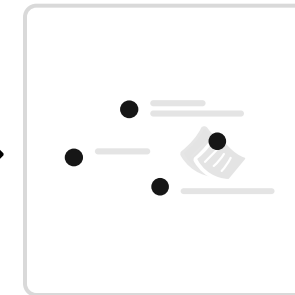
9 Search charity



10 Designation



11 Details



12 Submission



# It's an uphill battle to steward DAF donors

## In the Dark

No insight on when a DAF gift is initiated

## Lack of Information

Gifts typically arrive with a fund name & a mailing address - **no name or email**

## Manual & Inconsistent Data

All manual entry and unclear best practices add to the difficulty



# **Proactive DAF Strategy**

# DAFs Are Now Central to Fundraising Strategy

## Historically: Passive

- If you're lucky, DAF gifts just show up from large donors, often with little-to-no contact information

## Future: Active

- Actively seeking out & **cultivating relationships** with DAF donors
- **Improving process** to solicit, receive & steward DAF gifts
- Encouraging everyone to **leverage a DAF**

# An Active DAF strategy

## **Education & Promotion**

Ensure everyone is familiar with DAFs & DAFpay

## **Improve DAF Donor Experience**

Highlight DAFpay in Marketing & Communications

## **Data Tracking**

Follow best practices for data

# DAF Strategy: Education

Make sure your team, leadership & fundraisers are familiar with the importance of DAFs

Congratulations –  
you're already doing  
this today!

Bookmark [Chariot's Blog](#) & [sign up for Chariot's newsletter](#) for  
the best DAF resources you can  
share with your team

## Benefits to donors

- Increase giving capacity
- Flexibility & No admin
- Tax Efficiency

## Benefits to the organization

- Double the revenue
- Higher retention



# DAF Strategy: Promotion

Remind donors of how easily they can use their DAF wherever & whenever they donate!

## Email

Whenever you're asking for support, highlight DAF giving as the best option

## Physical Mail

Include URLs & QR Codes to the best place for DAF giving information

## Events

Mention DAF giving when asking for gifts & include QR codes on tables

# DAF Strategy: DAF Donor Experience

Do what you can to make DAF giving easier and more rewarding

## Website

- Add your EIN to your homepage footer
- Include a DAF section in your Ways to Give Page

## Stewardship

- Do what research you can to identify DAF donors
- DAF donors are very high potential - steward like you would a major donor prospect

## Solicitation

- Segment your DAF donors in your database
- Once you know someone is a DAF donor, curate the outreach they receive

# DAF Strategy: Data

Nonprofits are rarely tracking DAF giving in a fully compliant manner.

- 1 Separately list “provider” (Fidelity, Schwab, etc.) as **the hard credit**, donor is the soft credit
- 2 Be sure to name the underlying provider, **not an individual financial advisor**
- 3 Have a **DAF (Y/N) Flag**
- 4 **Do not include matching gifts, crowdfunding platforms, payroll or corporate donations**

# DAF Strategy: Top Tips

- 1 DAF Donors get a “thank you,” **not a tax receipt**
- 2 DAFs **can not be used to “buy” anything** (Event tickets, tables, auction items)
- 3 Spell out “Donor Advised Fund” as well as DAF
- 4 Include DAFs in **planned giving conversations**  
36% of DAF accounts don’t name a family member as beneficiary
- 5 DAF gifts can be matched by many **employee matching programs**




# **DAF Fundraising Success**

# Introducing DAFpay: Select. Login. Submit.

Designed for high conversion, boosted gifts & real-time email capture.

**DAF** pay | Donor Advised Fund



**venmo**


Debit or Credit Card


~30% of gifts are boosted


Average gift is >\$1,000


**DAF**pay™


Select your provider  
Instant donations from your Donor Advised Fund


 Fidelity Charitable

 Schwab Charitable

 Vanguard Charitable

 National Philanthropic Trust


 Jewish Communal Fund

 United Nonprofits

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[What is a Donor Advised Fund?](#)

**DAF**pay™


 **Fidelity Charitable**  
fidelitycharitable.org

Verify with Fidelity Charitable to connect your account

Next

 Secure Transaction

**DAF**pay™

Account  **Smith Giving Fund**  
Fidelity Charitable

Balance **\$122,540.67**

**\$5,000** Edit  
Boost your donation

+250

+500

+1000

+1500

Name **Drew Schneider**

Contact **drew@givechariot.com**


Donate (\$500.00)

By tapping Donate you agree to Donor Advised Fund's [donation guidelines](#) and DAFpay's [terms and policies](#).

# Donors want to pay with DAF



PMC Leads the industry in DAF Giving by putting DAFs front & center

Usage YTD	Results	
<b>\$1.3M</b> Raised	<b>30%</b> YoY Increase in DAF revenue	 PMC ID - MS0115 SUPPORT MY RIDE <div><div>\$1,000</div><div>\$250</div><div>\$60</div><div>\$500</div><div>\$120</div><div>\$30</div><div>Donate Any Amount</div></div> DONATE FROM YOUR <div>DAF pay</div>
<b>2k</b> Gifts	<b>36%</b> Of DAF giving is now online	
<b>\$647</b> Avg. Gift	<b>57%</b> Of YoY growth is attributable to DAFpay	

Source: Proprietary data from PMC & Chariot, representing YTD performance & year-over-year comparison.

# Unlocking Digital DAF Giving



March of Dimes adds DAFpay in a standard checkout - in 5 months:

## More Gifts

**57**

DAFpay gifts

**6x**

More DAFpay gifts than  
on Ways-to-Give

## Larger Gifts

**\$633**

Avg. Gift

**8x**

Increase from prior  
credit card gift

## New Donors

**50%**

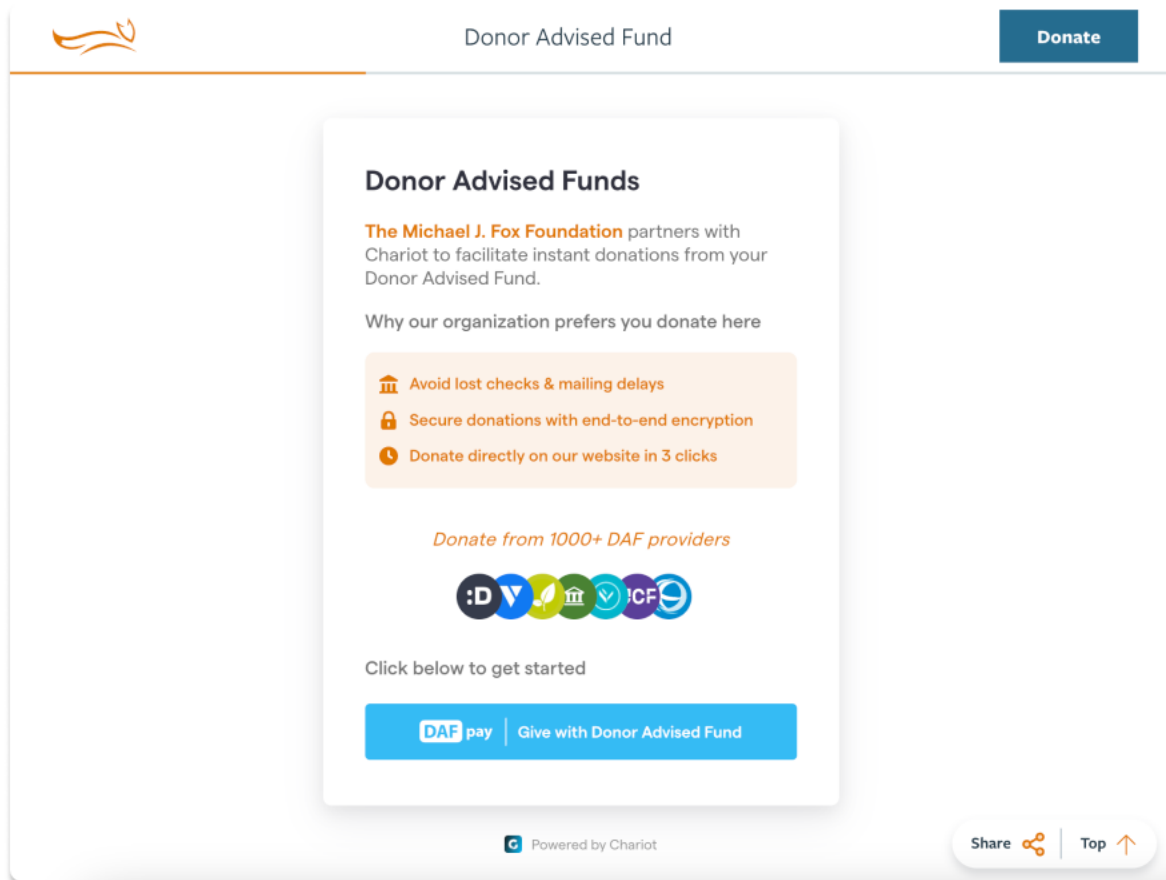
of gifts were net new donors

**40%**

of gifts were first-time  
DAF donors

# Level Up DAF Donor Experience

The Michael J. Fox Foundation implemented DAFpay on their Ways to Give page and saw:



69%

of DAFpay users were net-new donors

70%

Conversion rate once DAFpay clicked

\$1,800

Average gift size

50%

Response rate to personalized thank you emails sent from Head of Planned Giving within 24 hours of the gift



## Action Items

# Action Items

## 1. Stay on top of DAFs

- [Sign up](#) for the Newsletter
- [Follow Mitch](#) on LinkedIn
- Visit [Chariot's blog](#)
- Receive the [Benchmark Study](#)

## 2. DAF Audit on your Marketing

Review your website, comms, materials, etc. for DAF inclusion ahead of your yearend push

## 3. Start talking about DAFs

Be the one to start the conversation with your team, with donors, etc.

## 4. Audit Data Practices

Align on data tracking best practices for DAFs with your whole team!

There's \$230 Billion in DAFs that has to be donated.  
Start getting more from DAFs today!

**Q&A**

**[www.givechariot.com](http://www.givechariot.com)**

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“This was one of the best webinars that I’ve attended. I love that it was super practical and not sales-pitchy!!”

“I really enjoyed this format of the session! It gave me many insights that are real and applicable to the session attendees.”

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President  
Utopia Experience



Claire Murad  
CEO  
Murad Auctions



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Fluid Events



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Growth for Good

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Founder, TCB Fundraising





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2024

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September 9 & 10, 2024

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