4 Key Trends in Charitable Giving

Initiative to Accelerate
Charitable Giving

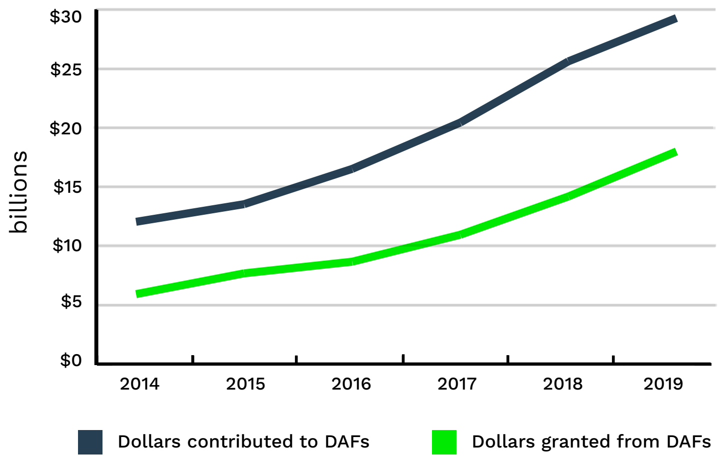
How Tax Loopholes Shift Money Away from Charities

America's charities have been on the frontlines helping their communities.

Unfortunately, outdated tax laws impede the flow of resources to them. Today, contributions to charitable intermediaries such as donor-advised funds (DAFs) and private foundations earn an immediate tax break and grow interest. The problem is that tax loopholes allow this money to be warehoused in these intermediaries instead of being put to use by working charities. Closing the tax loopholes that allow this to happen can get more money to working charities faster, while still protecting donors' tax benefits.

1. Despite urgent needs of working charities, annual DAF contributions have nearly tripled since 2014

It's important that charitable dollars get to charities and communities now – not collect dust in DAFs. We can make the future better when we invest in charities today, rather than waiting for tomorrow.



+28%

average annualized growth in DAF contributions from 2014-2019

+7%

average annualized growth in direct contributions to non-profits from 2014-2019

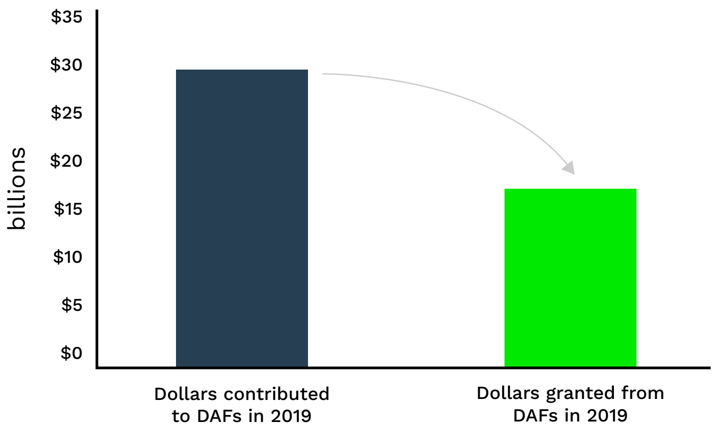
Direct contributions do not include government grants or contributions made through DAFs.

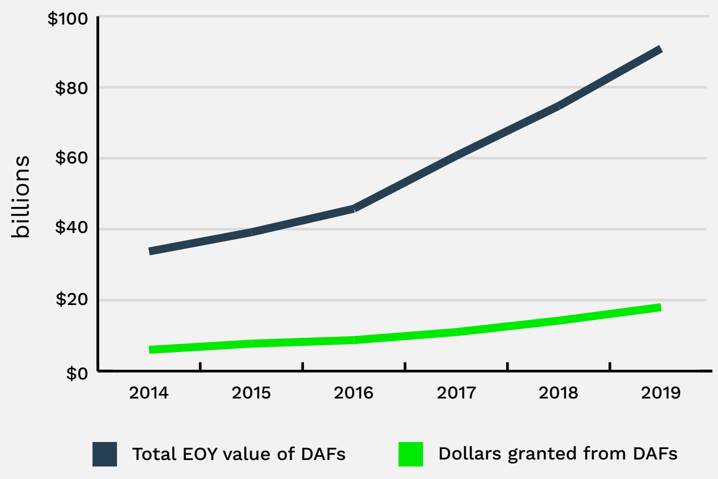
2. DAF assets grew 4 times faster than direct contributions to nonprofits

There has been significant growth in contributions to DAFs. The growth in direct giving to charities isn't keeping up.

3. DAFs took in over $11 billion more than they gave to nonprofits in 2019

There is a stark disconnect between the tax break for donors and the actual donation to charities. When taxpayers are footing the bill, the benefits to charities and society also need to be secured.





4. DAF stockpiling has swelled, with unused DAF dollars increasing nearly 200% between 2014-2019

As demand for their service continue to grow, nonprofits are getting a smaller share of charitable dollars than they need. Unlocking warehoused dollars now can help address the myriad of problems impacting our society.

Learn more about charitable giving reforms at **www.acceleratecharitablegiving.org**

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About this research

This study incorporates IRS 501(c)(3) data from 2014-2019, analyzed by DataLake Nonprofit Research (https://datalake.net). Additional information available upon request.