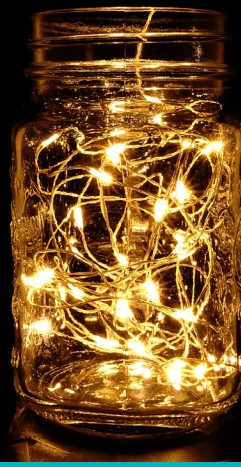




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My Giving Journey: From a Sharing Jar to an Impact-Focused Donor Advised Fund

By René Paradis, Chief Operating Officer

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As with many young children, my introduction to money management came in the form of three glass mason jars. For my father, a high school social studies teacher, these jars were a perfect teaching tool. He would give my brothers and me our weekly allowance, and we would drop the coins in through the slotted tops, dividing the amount equally across spending, saving and giving. I learned a little math and a lot of patience, as I watched those coins slowly fill the jars.

As we grew older, we graduated to savings and checking accounts at the local bank, and our giving money went in an envelope. It was less visual and, beyond that, the money just sat there, waiting to be given away. It didn't earn anything.

For many people, their giving money remains in a relatively stagnant place — maybe not in an envelope but in a bank account, earning very nominal interest. For many years, that was largely my own experience — until I found a powerful solution in [donor advised funds \(DAFs\)](#).

With a DAF, donors recommend investments for their charitable savings with hopes that the money can grow, even before they recommend a grant to a favorite nonprofit.

There are other benefits I like about DAFs, too. With a single contribution — such as appreciated stock held for more than a year — I receive one tax receipt for the full fair market value of the gift and recommend grants to multiple charities. This has streamlined my efforts and recordkeeping substantially. As a certified public accountant and, admittedly, someone with a fondness for vertical bar graphs and other visual aids, I also like logging onto my account and reviewing pie charts and graphs displaying my DAF asset allocation, history of grantmaking and record of contributions all in a single location.

The feature that inspires me most about my DAF, though, is the access it gives me to powerful impact investments. With impact investing, donors can align their charitable goals with their investments, giving them the chance to amplify their efforts. National Philanthropic Trust's (NPT) CEO Eileen Heisman has been a proponent of impact investing since well before I joined NPT. She began exploring the field beginning in 2010, but there were many challenges, including a lack of impact investment opportunities with sufficient liquidity for grantmaking.

My Giving Journey: From a Sharing Jar to an Impact-Focused DAF (continued)

Over the years, NPT continued to research and offer different impact investments, including debt instruments and impact ETFs. It was difficult, however, for donors to understand and evaluate the impact results of the ETFs — and the debt instruments came with minimums and lock-up periods that made grantmaking difficult.

Today, through our partnership with [CapShift](#), we have addressed those challenges by introducing a robust new impact investing platform. Donors may select from four [thematic impact portfolios](#) that offer liquidity for grantmaking, allowing them to work toward their charitable vision. The new portfolios can provide a complete, diversified investing solution in a designated focus area. For donors who wish to build their own portfolios to support specific financial and charitable goals, the new platform offers a menu of curated, pre-screened [private impact investments](#). With both the impact portfolios and the private impact investments, CapShift provides regular reports not only on financial performance but on impact results.

For my part, I knew right away where I wanted to invest my charitable dollars. With only [8 percent](#) of COO positions in the U.S. held by women like me, I have requested that much of my DAF charitable funds be invested in our Gender Lens Portfolio, which seeks to support the advancement of women in the workplace and beyond. I have also allocated a portion of my charitable funds to NPT's Broad Social Impact Portfolio, which promotes many of the [U.N.'s 17 Sustainable Development Goals](#). In these difficult times, goals like eliminating poverty and promoting economic growth are at grave risk. With a DAF powered by impact investments as my new giving jar, I am grateful that my charitable funds can go further and do more than ever before.

René Paradis is NPT's Chief Operating Officer and has more than 30 years of experience in finance, accounting, compliance and operations. Ms. Paradis has a B.A. in Political Science from the University of Maryland and is a Certified Public Accountant.

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