



National  
Philanthropic  
Trust

*Your partner in giving*

## *Do More With Your DAF*

### *How DAFs Create Effective, Flexible and Wide-Ranging Solutions*

*Ellen McGuinn, Chief Financial Officer*

Many donors engaging in responsive philanthropy want to make an impact as soon as possible, while others want to give strategically over a set period for long term initiatives. Whether a donor plans to support a single nonprofit with strategic grantmaking, recommend resources to a wide array of charitable causes, or respond quickly to a global crisis, it's efficient and effective with a donor-advised fund (DAF).

Keep the following factors in mind when considering future grantmaking opportunities and see the kind of philanthropic flexibility DAFs offer.

#### **Impact At Any Grant Size**

A single charitable gift can have significant impact, causing a philanthropic ripple effect. Smaller dollar donations add up, enabling grantee organizations to expand services, offer new programming, or make transformative investments. Donor generosity reverberates far beyond the moment of a donation.

Here at NPT, we saw significant increases in grantmaking by both total dollar value and volume. Donors were giving more generously and more widely in response to the tremendous need and stress that the COVID-19 pandemic put on nonprofits.

Human services organizations providing food and housing and other groups serving basic human needs, saw a **605% increase** in dollar value (adding up to more than \$1 billion donated) and a **69% increase** in volume. Healthcare groups like clinics, hospitals and research organizations saw a **44% increase in dollar value** (to total nearly \$150 million) and an **18% jump** in volume.

This new level of giving helped buoy smaller community organizations at a time of acute crisis and supplement national organizations focusing on large-scale disaster response. A \$250 or \$1,000 grant may feel modest in the moment, but organizations of all sizes benefit from the collective impact of smaller dollar donations. Apply this mindset to your donor-advised fund; it doesn't take a large amount of money to make a significant difference.

#### **Flexible Philanthropy Across Causes**

In stressful times, a short walk around the block can help clear your head. Exercising your charitable muscles has a similar effect, [not to mention significant benefits for your mind, body and soul](#). Like any routine, it's important to stretch outside of your habits from time to time. Expanding and exploring the range of causes you support as a DAF donor can provide a more holistic experience for your charitable habits.

Total grants from DAFs to qualified nonprofit organizations have [nearly doubled in the last five years](#). This speaks not only to the generosity of DAF donors, but to their willingness to increase and diversify the number of nonprofits they support. At NPT in 2020, there was a **22% increase in number of charities** that received grants from NPT DAF donors.

## How DAFs Create Effective, Flexible and Wide-Ranging Solutions (Continued)

---

Beyond health and human services, the number of grants from NPT DAFs to **environmental and animal-related causes increased by 36%**, to **international organizations by 31%**, and to **arts and cultural groups by about 24%** in 2020. Grantees continue to provide new solutions to complex challenges and address persistent needs. Some recent examples include:

- A \$25,000 grant to a New Mexico creative arts space providing access to tools, equipment and education for artists, craftspeople, entrepreneurs and hobbyists. This grant support propels exploration, innovation, business creation and creative growth in the local community.
- A recurring \$5,000 monthly grant to a Washington, D.C.-based program using the literary arts, workforce development, and violence prevention to connect incarcerated and formerly incarcerated youth and adults to their voices, their purpose, and the wider community.
- A \$1,000 grant supporting a network of community partners distributing fresh and healthy food to underserved communities in northern New Jersey via 20 food pantries.

These grants are making an impact, and they demonstrate DAF donors' willingness to respond quickly and creatively to charitable needs. This flexibility is important for both the charitable sector, and for donors themselves; exercising your philanthropic muscles can reveal new opportunities and issue areas beyond your usual commitments.

### Local And Global Impact

DAF grantmaking gives donors geographic flexibility as well and can help remove administrative barriers to international philanthropy. DAF grants are helping quickly provide much-needed funding around the world. Some recent examples have included:

- In London, a \$6,000 grant helping tackle hunger and food waste in the United Kingdom.
- In the Netherlands, a major \$30 million grant went towards climate change leadership efforts, facilitating research, diplomacy and major international agreements.
- In India, a recent \$180,000 grant supported the purchase of oxygen generation plants desperately needed to fight the ongoing COVID-19 emergency.

With as many ways to give as there are worthy causes, there is no such thing as "one size fits all" philanthropy. Through collective action, creative flexibility and rapid response, your DAF can address new and ongoing challenges effectively.



**Ellen McGuinn** is NPT's Chief Financial Officer (CFO) and Assistant Treasurer. Ms. McGuinn joined NPT in November 2016 as Controller. She has more than 30 years of experience in finance and accounting which includes 14 years in the nonprofit sector. Ms. McGuinn is responsible for treasury management, accounting and financial reporting. Ms. McGuinn is also responsible for the oversight of NPT's grant processing. Ms. McGuinn was formerly the Controller for Chestnut Hill College. Prior to that, she worked within the Archdiocese of Philadelphia and began her career in public accounting at Price Waterhouse. Ms. McGuinn received a B.S. (Summa Cum Laude) in Accounting from Boston College and is a Certified Public Accountant.

For donors interested in reviewing their grantmaking strategies, NPT remains ready to help you help others. Contact us at (888) 878-7900 or [npt@nptrust.org](mailto:npt@nptrust.org) with any questions.

NPT does not provide legal, tax or investing advice. This blog post is for informational purposes only and is not intended to be, and shall not be relied upon as, legal or tax advice. The applicability of information contained here may vary depending on individual circumstances.