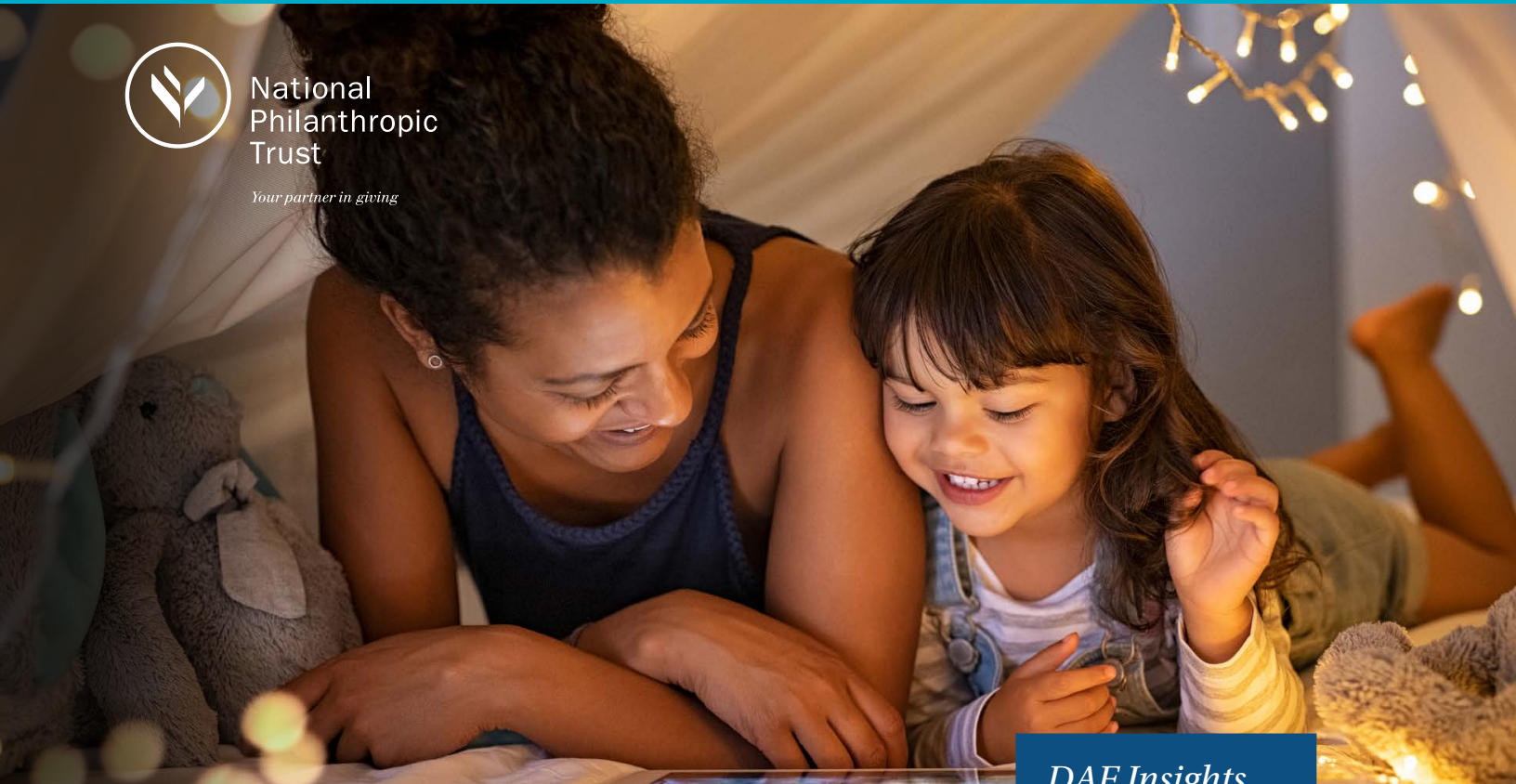




National
Philanthropic
Trust

Your partner in giving



DAF Insights

Defining Your Philanthropic Strategy

When you're ready to make a commitment to charitable giving, it helps to have a plan. A comprehensive strategy helps you recognize opportunities that align with your charitable goals. Donors like you provide generous and regular funding to organizations making a difference in their communities and around the world. With a philanthropic strategy, you can have more of an impact on the organizations and causes that are most important to you.

Giving Strategically

Nothing prevents you from giving to organizations you care about before you have a strategy in place, but you may also want to take some time to think about how establishing some goals may help focus your giving. The suggestions below can help you reflect on the difference you want to make and develop your giving strategy.



HOW A DAF CAN HELP:

At NPT, we offer donor-advised funds (DAFs) that can be customized to support your philanthropic strategy while saving you time on the administrative work of your giving. DAFs require no start-up costs and can be opened in as little as five minutes.

1. Set An Aspirational Budget

Create a budget for the coming year and a plan for how you'd like your giving to ramp up over time—say the next three, five, or ten years, depending on your goals. **For the coming year, divide your giving into three buckets and assign an aspirational budget to each:**

1. The causes you are personally committed to supporting
2. Responses to asks from family, friends and colleagues
3. Responses to the unexpected (e.g., natural disasters, a pandemic)

Each December or January, review your annual giving to see how close you were to your targets.

- If you didn't meet your target, reflect on why. What would you like to adjust in the coming year?
- Put a note on your calendar to give to one or two of your favorite nonprofits twice a year, quarterly, or even monthly. Don't save all your giving for the end of the year.

2. Zero In On A Few Causes That Resonate For You

There is no end to the important causes you could support. That fact can be overwhelming. Take it one step at a time. For now, you can have more impact if you zero in on just a few causes to start.

Take some time to reflect on the questions below. If you give with your family, have a dinner table conversation and ask these questions of each other.

- What would you most like to see change in the world?
- Are there things that have impacted you or your family personally that you'd like to do something about?
- Are there issues that don't touch your life personally but that you are motivated to support or change?
- How important is it to you to see the impact of your giving in your lifetime or immediate surroundings?

3. Impact: Where And For Whom?

Think about whether there are particular places you'd like your funding to support. Your hometown or birthplace? Somewhere you've traveled? Or somewhere you've never been but, nonetheless, feel called to help?

Is there a particular group of people you most want to serve? Children under age five? Teens and young adults? People living with substance use disorders? Veterans? People returning from incarceration? People living in a specific community or facing a particular health challenge?

HOW A DAF CAN HELP:

A DAF is particularly well-suited for managing an annual giving budget. When you contribute to a DAF, you can take a charitable deduction right away and grant the funds out on a schedule that works for you. Many donors find it useful to contribute a year's giving budget (or more) at one time, so they can streamline the tax paperwork but give themselves the time and space to think through how to make effective grants.



If you give with an NPT DAF, you'll have access to GivingPoint, the online donor portal that helps you manage your giving. With GivingPoint, you can view a dashboard summarizing your transactions in any custom date range, making it easy to check in on how you're progressing toward your target giving goals.



Donor-advised funds make recurring grants easy. Because the DAF sponsor handles the administrative work of grantmaking, you can instruct them to give on a regular schedule of your choosing (e.g. monthly or quarterly), and you can change or cancel the arrangement any time. This can help you automate the gifts you're committed to, and frees up time to consider new giving opportunities.

4. Explore organizations at the intersection of your causes and the people and places you'd like to reach

Have you found organizations that address the *what*, *who* and *where* of your charitable priorities? If not, do some research to see which organizations like-minded donors support.

- Many foundations have searchable grantmaking databases on their websites.
- Community foundations are a great resource for locally focused giving. Don't overlook smaller, community-based nonprofit organizations in favor of well-known or national organizations. While both have advantages, smaller organizations also often have smaller budgets, which means that your gift may go farther for them.
- Remember to seek out organizations with leadership from the communities they serve. Organizations led by people of color are often underfunded and undercapitalized compared to those led by their white peers, but leaders with lived experience in the community the organization serves are often better equipped to bring practical solutions to the table.
- Read through organizations' websites and publications. How do they talk about their work and impact? What have they accomplished to date and what do they plan to accomplish in the future with more funding?
- Websites like Candid's GuideStar and Charity Navigator can provide even more detail on nonprofit organizations.

5. Start recommending some grants and see what you learn

There's no better way to learn than by doing. You don't need to have every detail of your philanthropic approach mapped out before you start recommending grants; in fact, making a few grants and learning from them can help you hone your strategy. Here are some considerations to support that learning:

- Read reports and updates that come from your grantees. If you can, attend their events. You'll learn more about their work and the issues they are trying to solve for. You may also learn about other organizations that work on the same issues.
- Reflect on what you're learning and what's resonating for you. If the impact doesn't feel like what you set out to achieve, reflect on why. Maybe the organization's goals don't really mesh with yours. Maybe your goals were overly ambitious and now you understand the context better. Don't worry if your first grants didn't feel exactly right; your giving is sure to evolve over time. You can use this learning to further target your giving.



HOW A DAF CAN HELP:

Many donor-advised funds offer some form of impact investment option, allowing you to support the causes you're interested in even before you make a grant. For instance, if you know your giving focus will be to advance environmental causes but you haven't figured out which organizations to support, you can first make sure to invest some or all of your DAF assets in a portfolio of organizations positioned to reduce carbon emissions.



Related Resources

If you're interested in further reading, we recommend the following workbooks from Stanford University's Center on Philanthropy and Civil Society. Each has useful exercises and activities to help you reflect on your giving priorities and plan for the future. You can find each of these resources and more at nptrust.org/philanthropic-strategy.

- Clarify Your Motivations and Values
- Narrow Your Focus Areas
- Contribute Your Time, Talent and Ties

If you're interested in further deepening your philanthropic engagement, or want to access philanthropic expertise, the Philanthropic Services Group at NPT can support you with customized research and guidance.

If you give with an NPT donor-advised fund, all fees for consulting services are payable directly from the DAF. Please contact the Philanthropic Services Group for further details at philanthropicservices@nptrust.org or (888) 878-7900.

A Giving Strategy Checklist

If you're embarking on a new giving strategy, you may wish to involve a trusted financial advisor to help you. Your advisor can support your needs when it comes to making smart contributions and managing your charitable deductions, but they can also be included as you make decisions about your giving priorities. As someone who knows about your life goals and general financial position, your advisor can help you think through where your new strategy fits in the total picture of your future planning.

When you get together with your advisor to talk about honing your strategy, here are some things to be sure you discuss:

Developing Your Strategy

- Who else, if anyone, should be included in planning your strategy?
- Are there any charitable goals you already know you want to pursue?
- How might a charitable vehicle like a DAF or a foundation support your charitable strategy?
- How much control would you like to keep over the assets you plan to give?
- What is your preferred timeframe for giving? Do you plan to make all your gifts while you are alive, or would you like to set your giving up so that it extends beyond your lifetime?

Fine-Tuning The Plan

- What is your estimated annual giving budget?
- Have you thought about how you would like to be recognized for your giving?
- Are there specific types of assets you plan on giving?
- What is the best investment plan to achieve your budgetary and giving goals?

Maintaining Momentum

- How would you like to track and assess your charitable impact?
- How frequently would you like to check in on the progress of your strategy?