

Generosity Planning with Donor Advised Funds

Donors are changing how they give.

Donor Advised Funds (DAFs) are becoming an increasingly important part of philanthropic planning.

Financial advisors and investment firms are actively introducing DAFs to their clients as a charitable giving solution.

Why would an advisor recommend a DAF?

- Through a DAF, advisors can help donors make a charitable contribution, receive an immediate tax receipt, and continue managing the invested assets while earning advisory fees.
- For fundraisers, the opportunity is to identify donors who have established DAFs and engage them in meaningful stewardship conversations to unlock giving potential.

Intention

For Today...





Presenting Ideas to Donors



THE DONOR
MOTIVATION
PROGRAM®

We Motivate Planned Giving!



DG HF Dartmouth General
Hospital Foundation



QEII
HEALTH SCIENCES CENTRE
FOUNDATION



B | **BRIERCREST**
Christian Academy • College • Seminary



CI **ASSANTE**
WEALTH MANAGEMENT



SPCA
Nova Scotia



Challenges To Your Wealth



Agenda

1. What is a **Donor Advised Fund**?
2. The Canadian Donor Advised Fund **Landscape**.
3. Collaboration Between **Charities** & DAFs.
4. Why Are DAFs **Attractive** To Donors/Clients?
5. The **Giving Mindsets**.
6. Collaboration Between **Advisors** & DAFs
7. DAFs are **important for your organization**

What is a Donor Advised Fund?



How It Works?

GIFT



- Contribute an initial donation.
- Choose a name for your DAF.
- Donate an Acceptable Gift.
- Receive a tax receipt.

GROW



- The donation is usually invested into a separate account... a few foundations like community foundations may pool some assets.
- DAF assets grow tax free in a balanced portfolio.
- Client/donor will have more to grant over time.

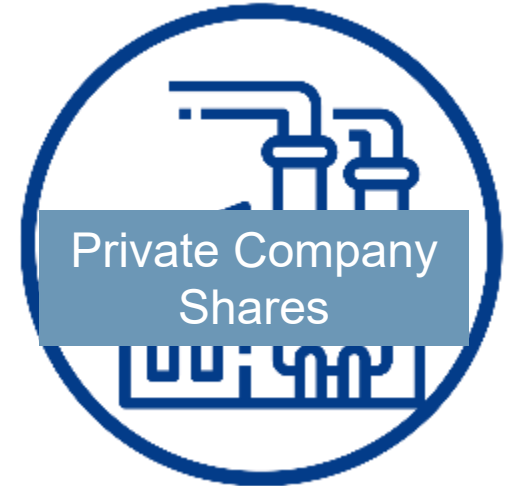
GRANT



- A portion of the DAF is given to registered charities each year
- You recommend which charities receive grants and how much, in keeping with the foundation's Granting Policy.
- The DAF Providers delivers the grants to the charity on your behalf.



GIFT - DAF Accepted Donations





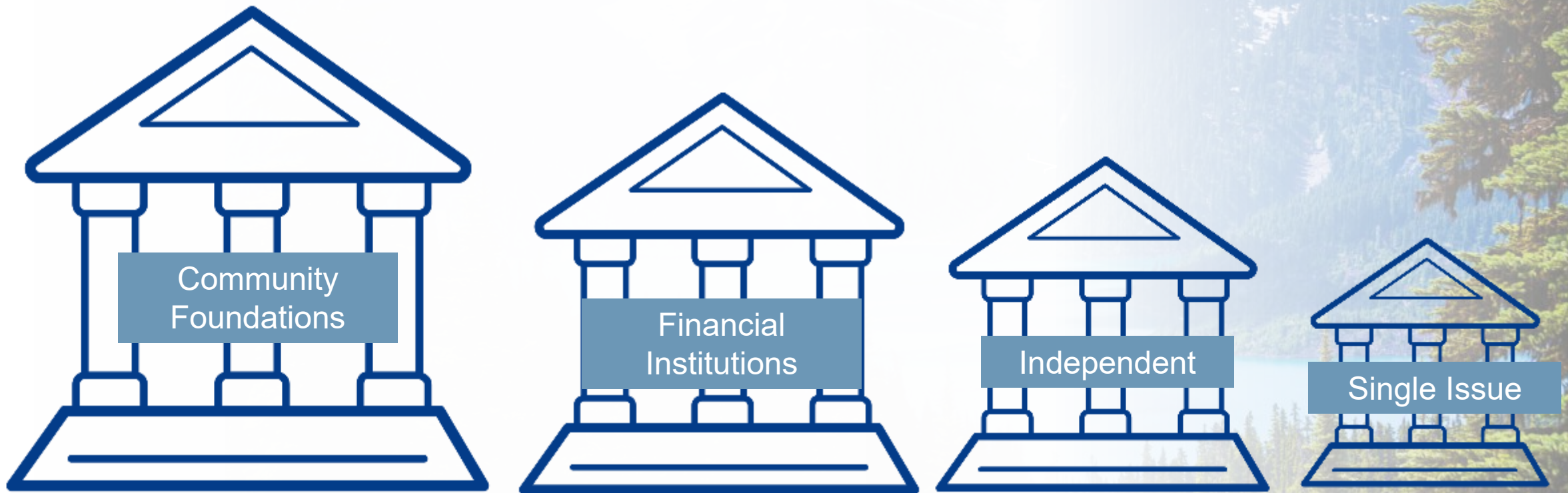
The Canadian Donor Advised Fund Landscape

The Key Players



The DAF Marketplace...

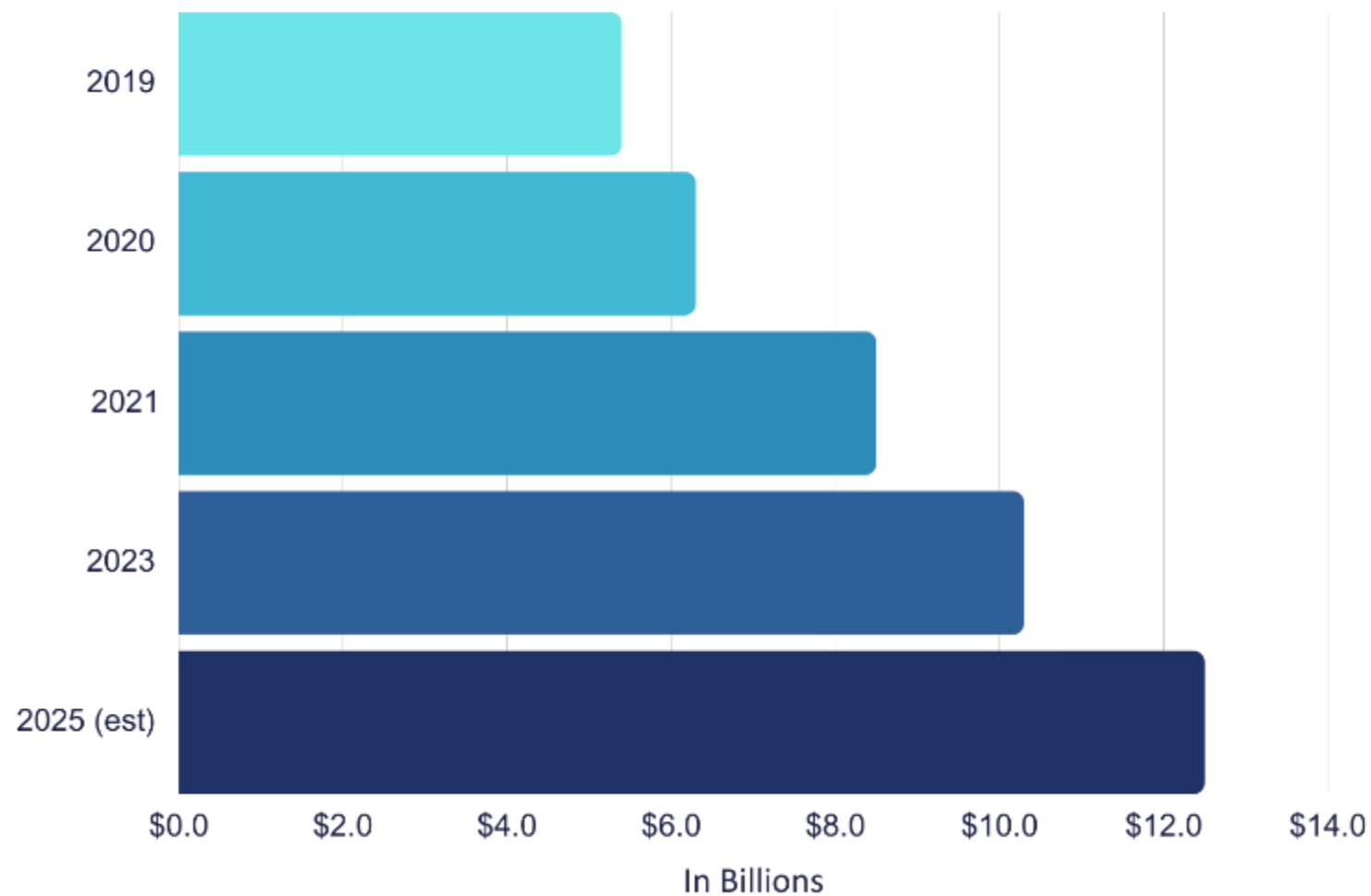
Where to find this product?



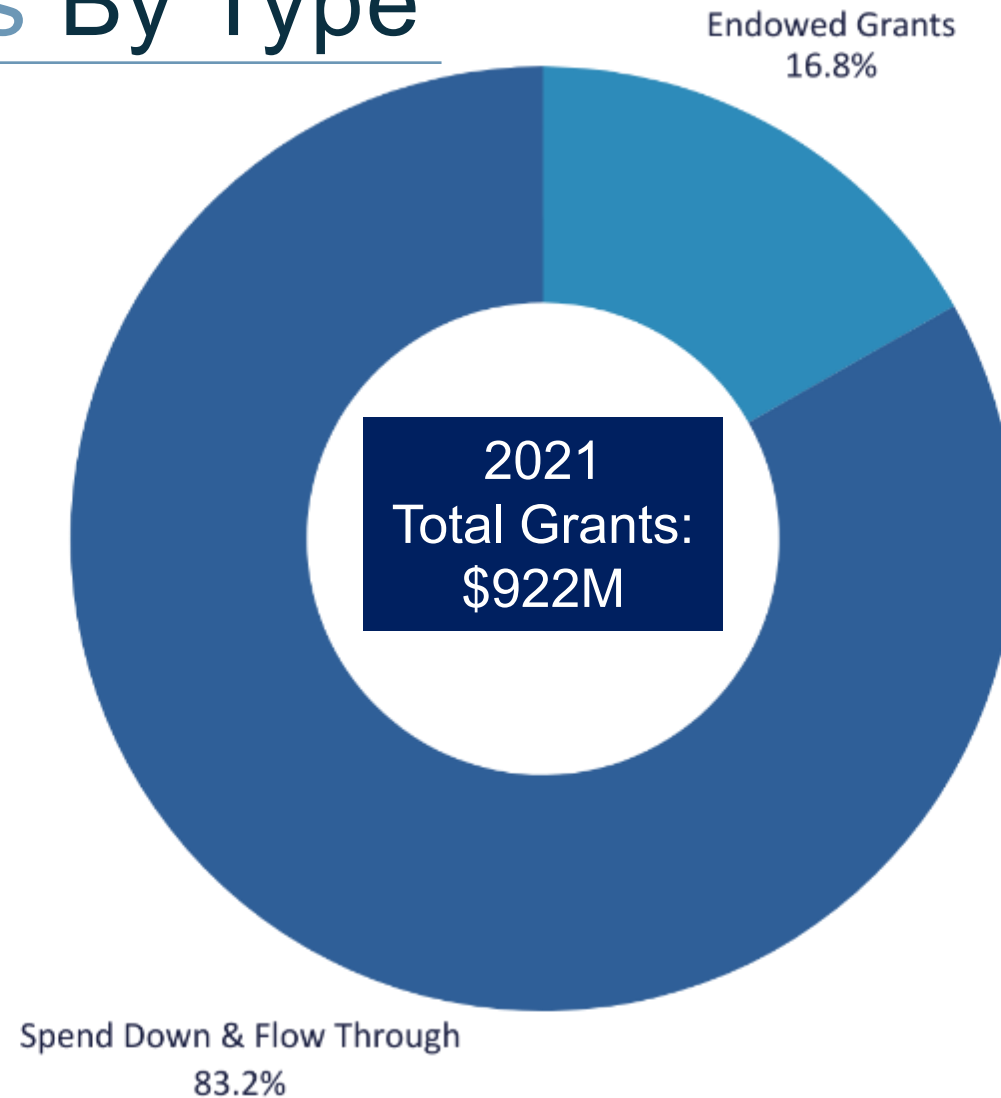
Source: INFLUENCE, AFFLUENCE & OPPORTUNITY: Donor-advised Funds in Canada, May 2023

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DAF Assets Are On The Rise



DAF Grants By Type



Collaboration

When you receive a gift from a DAF, there is often a larger balance remaining in the DAF that represents future giving potential.

Take the time to identify the individual donor behind the DAF gift, research their background, and link them to your database to support effective stewardship.

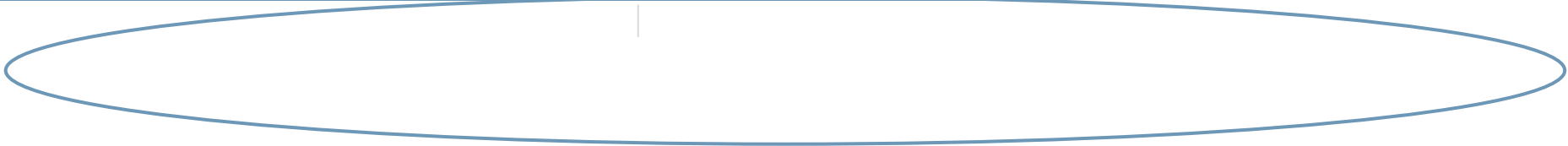
When appropriate, find ways to strengthen the relationship through a meaningful conversation.



A man with grey hair and a beard, wearing a white t-shirt, is smiling and looking at a laptop screen. A woman with dark hair, wearing a grey sweater, is also looking at the screen and gesturing with her hand. They are in a warm, indoor setting, possibly a home or office.

An Average DAF Client/Donor...

Reasons For Creating A DAF



A man and a woman are shown from the chest up, looking at a laptop screen. The man, on the left, has grey hair and a beard, and is smiling. The woman, on the right, has dark hair and is also smiling. They are both wearing white t-shirts. The background is a blurred indoor setting with warm lighting.

Canadian DAF Market

**Average Age
of a DAF holder?**

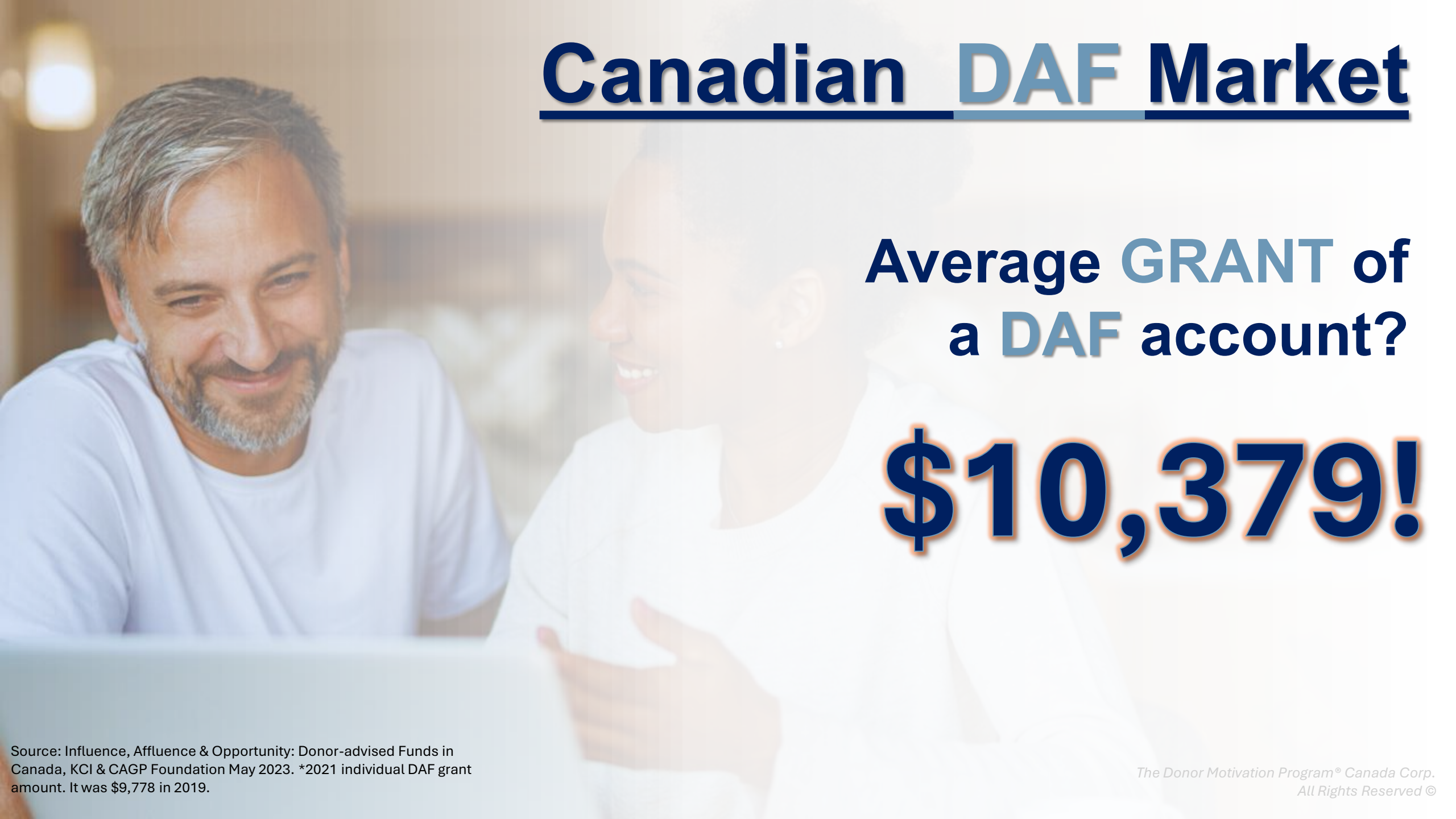
55 - 65

A background image showing a man and a woman, both smiling and looking at a laptop screen. The man is on the left, and the woman is on the right. They appear to be in a professional or collaborative setting.

Canadian DAF Market

Average **BALANCE**
of a **DAF** account?

\$484,000!

A man and a woman are shown from the chest up, smiling and looking at a laptop screen. The man is on the left, with grey hair and a beard, wearing a white t-shirt. The woman is on the right, with dark hair, wearing a white t-shirt. The background is a blurred indoor setting with warm lighting.

Canadian DAF Market

**Average GRANT of
a DAF account?**

\$10,379!

Source: Influence, Affluence & Opportunity: Donor-advised Funds in Canada, KCI & CAGP Foundation May 2023. *2021 individual DAF grant amount. It was \$9,778 in 2019.

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Collaboration: Charities & Donor Advised Funds

Grants & Donor Stewardship



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Advisor Collaboration



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Professional Advisors eResource – Prepared by our national partner, Community Foundations of Canada, professional advisors will find here the tools and resources they need to talk about charitable giving with their clients.



Glenn Stewardson, a nationally recognized financial educator and certified financial planner (CFP), speaks to the benefits of giving back to your community through the Community Foundation of Nova Scotia

Four Types of Gifts

► Appreciated Securities

► Bequests

► Life Insurance

► Real Estate



Advisors - why introduce philanthropy?

QEII Foundation



Glenn Stewardson
Certified Financial Planner





0:08 / 1:33

0:06

philanthropic is a word that means giving back to your community

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Four Types of Gifts

- Appreciation gifts
- Monetary gifts
- Tangible gifts
- Real estate

add title



Why Are DAFs Attractive To Donors/Clients?

The Way We Give.



TIPPING METHOD

These are spontaneous donations, like giving \$2 at a store register, often without alignment to personal causes.



BUYING METHOD

Donations made through experiences, such as attending charity galas or buying lottery tickets, usually seasonal.



RESPONSE METHOD

Supporting friends or family in activities like charity runs, often without a personal connection to the cause.



INVESTING METHOD

Strategic giving through wealth or estate planning, demonstrating long-term commitment to a cause. Here is where financial advisors can assist.

The Generosity Portfolio™



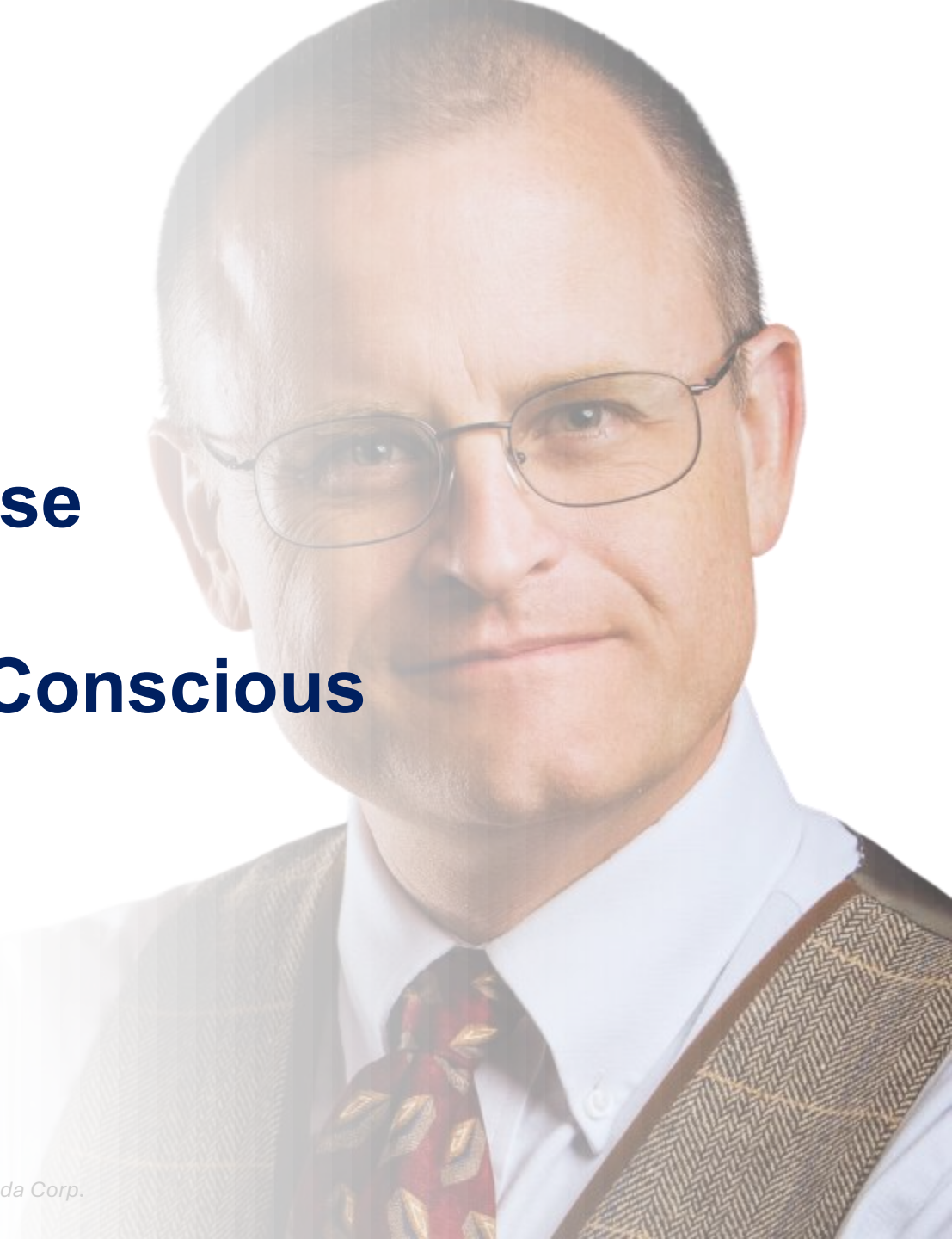
Cash Giving Mindset Vs. Asset Giving Mindset

Dr. Russell James



Cash Giving Mindset: Disposable Income Mindset

- 1. Perceived as a Cost or Expense**
- 2. Tends to Be Smaller, Budget Conscious**
- 3. Tied to Lifestyle Constraints**



Asset-Based Giving: Wealth Mindset

- 1. Viewed as Investing from Wealth**
- 2. Enables Larger, More Transformational Gifts**
- 3. Aligns with Legacy, Identity, and Long-Term Planning**



Psychological Shift:

“How much can I give?”

“What do I own?”



A woman with brown hair, wearing a white t-shirt and dark pants, is sitting at a white desk in a modern office. She is smiling and looking at a laptop. A white mug is on the desk. In the background, there is a large window with a view of a city. Overlaid on the left side of the image is a semi-transparent blue box with a dark blue border containing the text 'Collaboration: Advisors & Donor Advised Funds'.

Collaboration: Advisors & Donor Advised Funds

Remember...
Major donations
are driven by
taxable events

Personal events:
Retirement
Estate Planning
Loss of a loved one
Inheritance

Taxable events:
Sale of a business
Stock options
Sale of property
Deemed disposition



Why Advisors Recommend a DAF...

- 1. Tax Savings
- 2. Efficiency
- 3. Asset Management
- 4. Family Engagement

Why are DAFs important for your organization?

- Donor Advised Funds will have ‘ready’ gift money for your current project.
- Gifts can be larger
- DAF accounts are waiting for you to ASK the donor to give
- The MAGIC happens on the gift not the move to the DAF. It is the gift and the impact that provide the donor with the soul filling feeling of ‘Doing Good’

A photograph of a group of people in an office setting. In the foreground, a woman with short dark hair and glasses, wearing a mustard yellow sweater, is laughing and high-fiving someone. To her right, another woman in a light blue shirt is clapping. In the background, a man in a dark suit is also high-fiving. The scene is bright and celebratory. A semi-transparent box with a dark blue border is overlaid on the left side of the image, containing the text "thank you!".

thank
you!