Growing Together:

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Informing a positive dialogue between charities and DAF foundations through knowledge, engagement and transparency

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Watermark Philanthropic Counsel helps you give, learn and govern with purpose, clarity and confidence. We offer bespoke counsel to leading philanthropists, generous families, and social purpose organizations, and provide independent research services related to philanthropy, social impact and the charitable landscape.

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Introduction and Methodology

Charities and foundations that provide donor-advised funds[1] (DAFs) each play distinct and important roles within Canada's philanthropic ecosystem. As DAFs grow in popularity at the same time as charities face increasing financial pressure, examining the relationship between DAF foundations[2] and operating charities is timely and necessary.

This project was inspired by the Canadian Association of Gift Planners' (CAGP) DAF Working Group, which observed that many charities lack a clear understanding of DAFs and struggle with the practicalities of engaging with DAF foundations and their donors. At the same time, DAF foundations seek to determine how best to address the practical challenges associated with this emerging source of revenue, and how to address common critiques of the DAF model.

This report helps to bridge the divide between charities and DAF foundations, providing insights and solutions to strengthen how they relate to and collaborate with each other. As one respondent shared,

> **"When charities and DAF foundations see each other as partners in supporting meaningful giving, it creates stronger connections for donors, and better outcomes for the communities we serve."**

The study has been informed by more than 40 individual interviews with representatives from operating charities (ranging in geography, sector, and budget size), leaders of DAF foundations, and other experts in the charitable sector.

In addition, an online survey administered in March 2026 by the Charity Insights Canada Project (CICP), at Carleton University, gathered DAF-related data from a panel of organizations differing in size and scope, sectors of activity, and geographic locations across the country[3].

[1] A donor-advised fund (DAF) is a segregated fund owned and controlled by a registered Canadian charity that is established in the name or names of an individual, group, association or business.

[2] For the purpose of this report, the term "DAF foundation" is used to describe any public or private foundation that administers and manages individual DAFs.

[3] The CICP is a national research initiative dedicated to improving understanding of Canada's charitable sector through timely, accessible, and high-quality data. It conducts a national weekly survey to a panel of 1,000 registered charities, randomly selected from the Canada Revenue Agency registry and recruited via phone, email, and mail. CICP notes that results "should be interpreted as highly informative of trends and perspectives among engaged, operating charities in Canada, rather than as precise population estimates for the entire charitable sector." A copy of the high-level survey results can be found at https://carleton.ca/cicp-pcpob/.

Acknowledgements

Watermark wishes to thank the consortium of funders who invested in this research. They recognize that strong relationships between DAF foundations and operating charities are critical, and believe in the inherent value of Canadian data and insights for the development of our philanthropic sector:

Aqueduct Foundation

Bank of Montreal

Benefaction Foundation

Burgundy Legacy Foundation

Canada Gives Foundation

Desjardins Foundation

Charitable Gift Funds Canada Foundation

IG Wealth

Nicola Private Giving Foundation

Ottawa Community Foundation

Private Giving Foundation

Given the critical demands on charity budgets and programs, only foundations and institutions with active DAF programs were invited to fund the project. The members of the consortium had no influence on the development of the study's focus, methodology, or findings.

We extend special thanks to the **Canadian Association of Gift Planners (CAGP)** and the CAGP Foundation, in particular, Ruth MacKenzie (President and Chief Executive Officer) and Dana Thompson. The focus of this research emerged from deliberations of CAGP's DAF Working Group and was partially informed by previous DAF research published by the CAGP. Also, the CAGP provided administrative support during the project.

The Charity Insights Canada Project (CICP), at Carleton University, played a pivotal role in collecting DAF data from operating charities across the country. We are grateful to Dr. Susan Phillips (Professor Emerita) and Caledonia Mathieson (Chief Project and Operations Officer) for their generosity and commitment to strengthening and expanding the quality and availability of data for Canada's charitable community.

Lastly, we offer our appreciation to the representatives of Canadian operating charities and DAF foundations who spoke with us. They shared their perspectives and experiences with candour and a desire to be constructive, all with the goal of building stronger relationships in Canada's philanthropic ecosystem.

Sincerely,

Dr. Sharilyn Hale, C.Dir
Founder & Principal

Keith Sjogren
Research Partner

Executive Summary

Charities and DAF foundations each play distinct roles within Canada's charitable sector. As DAFs grow in usage by donors at the same time as charities deal with increasing financial pressure, it is important to examine the relationship between DAF foundations and operating charities.

This study offers some potential solutions to the most common challenges they face in their interactions, and provides a pathway for strengthening their collaborative capacity in order to move from transactional gifts to transformational partnerships.

Charities and Foundations Under Pressure to Change

Charitable organizations in Canada are facing a wide range of challenges including:

- Access to reliable and sustainable funding.
- A decline in the number of individual donors.
- Active donors reducing the number of charities they support.
- Operational instability reflecting high staff turnover and fewer volunteers.
- High, and growing demand for services.

But, at a time of stress within the sector overall, the DAF sector has displayed signs of resilience, flexibility and growth. DAFs have grown in terms of numbers, assets, donations and gifts to a point when the most recent CRA data shows that:

- Assets have reached approximately $16 billion.
- Donations to DAFs represent about 12% of total charitable donations.
- Annual gifts from DAFs provided $1.8 billion in funding to charities.

Perceptions and Critiques Impact Understanding

The impact of DAF growth on operating charities in Canada has been mixed and less than perceived by DAF foundations.

- While dispersion of DAF gifts is wide, those benefiting the most in terms of gift values and frequency have been the largest charities.
- Although DAFs are often lauded as transformational, half of all charities indicate that DAFs have no impact on their overall funding.
- Knowledge about DAFs among charities and the adoption of DAF-specific policies, practices and resources is very modest.

Charities and sector commentators continue to raise concerns about the structure and behaviour of DAFs, including:

- Billions of dollars of idle capital subsidized by the government through generous tax incentives.
- Insufficient disclosure about the identity of ultimate donors impeding appropriate acknowledgement and relationship development.
- The disinclination of some DAF foundations to impose an annual distribution requirement on each DAF.
- The disruption of traditional fundraising and planned giving practices that have been a source of reliable funding for charities in past years.

Though some of these concerns cannot be validated and others deal with only a small number of foundations, there is a growing and universal view that four primary areas of concern need to be addressed and resolved for more effective collaboration between charities and DAF foundations.

Four Primary Areas of Concern

1. A lack of knowledge about DAFs. Increased sector-wide knowledge levels will help build informed DAF perceptions, policies and practices.
2. Donor engagement and communications. Closer collaboration between charities and DAF foundations on donor engagement and communications will enhance giving experiences and create new pathways of opportunity.
3. Disclosure and transparency. Greater disclosure and information sharing between DAF foundations and charities will increase trust and help manage fiduciary risks.
4. Gift administration and disbursements. Improved gift administration practices at charities and a more disciplined approach to disbursements at DAF foundations will reduce operational friction.

Moving Forward by Growing Together

Executives at charities and DAF foundations agree that they share the responsibility of strengthening their mutual relationships, and that it is time for solutions to be developed that will create positive dialogue and the conditions to support enhanced cooperation.

Most charities recognize that DAF growth will continue and are seeking ways to further develop processes, knowledge and awareness, and opportunities to work with DAF foundations. At the same time, progressive DAF foundations are expanding their services well beyond being a custodian who merely carries out donor instructions and are becoming more responsive to charity grantees.

The possible solutions outlined to address the common concerns and challenges are ideas that should be analyzed, discussed, and explored by the sector overall, recognizing that not all solutions may resonate with all parties.

These initial steps may be advanced through additional and associated actions that could be taken by charities and DAF foundations that might include:

- Establishing a one-off or permanent forum to act as a meeting place, a data collection point, a catalyst for research, and an advocate to regulators and policy makers.
- An objective process to clearly and objectively hear the voice of DAF donors before proposing significant sector-wide changes.
- A self-imposed decision by DAF foundations to put a minimum annual distribution rate/amount in place for individual DAFs.

The growth of DAFs need not be a threat to charities, nor professional fundraising. And the concerns of charities need not be viewed as inhibition. By closing the knowledge gap and reducing administrative friction, the Canadian DAF and charity ecosystem can move from a state of mutual hesitation to one of greater collaborative impact.

1.0 The Charitable Sector in Canada

In considering the relationship between DAF foundations and operating charities, some context and essential information about the charitable sector in Canada will be helpful.

1.1 Sector Size and Composition

According to data published by Imagine Canada, the charitable sector in Canada accounts for 8.2% of Canada's GDP and $225 billion in annual economic activity. The sector employs 2.7 million people and is comprised of approximately 85,400 registered charities that fall into three primary groups: charitable organizations (often referred to as operating charities); private foundations; and public foundations.

Charitable organizations that provide services, the subject of the research in this report, make up almost 87% of the total number, yet they benefit from only 67% of donations, gifts and grants from donors and other charitable organizations[4].

Charities can also be segmented on the basis of their essential purpose: the Advancement of Education, the Relief of Poverty, the Advancement of Religion, and Other Purposes that Benefit the Community. In terms of share of numbers of charitable organizations at the end of 2023, the segment allocations were:

Advancement of Education	13%
Relief of Poverty	14%
Advancement of Religion	37%
Other Purposes that Benefit the Community	36%

Even in early 2026, many operating charities report they are continuing to recover from COVID-19 pandemic shocks while responding to unprecedented needs. In 2023, Canada Helps reported that one in four Canadians were turning to charities to meet their basic needs for food, shelter, and clothing, and 57% of charities reported being unable to meet current levels of demand. These high needs and demands are likely still the case in 2026. A major contributor to the inability to meet the demand for services is related to concerns associated with developing sustainable sources of funding. This issue is cited by 91% of respondents in a recent CICP survey. An associated challenge, reported by 44% of survey respondents, is donors' changing behaviour, which could include a shift away from direct giving to using a DAF.

[4] On the other hand, public foundations represented 5.5% of all registered charities in 2023 but garnered 20.9% of donations and gifts.

Furthermore, the 45% of charities with paid staff are reporting elevated stress and employee burnout, resulting in 20% having high levels of turnover. Human resource challenges including workforce recruitment problems, workforce shortages, and skills-availability are reportedly faced by one-third of Canadian charities. Finally, almost 80% of charities report difficulty in attracting and retaining volunteers.

1.2 Financial Snapshot

Registered charities can be segmented by assets and revenue. Ranking by asset size results in a long list of health authorities, universities and colleges, school boards, and other public-sector regional authorities, as well as a number of community and private family foundations, before ranking charitable organizations that provide a service directly to the public.

A list of registered charities with over $10 million in assets at the end of 2023 (published in 2025) includes 4,546 organizations, only a few of which were operating charities. This list represents only 5% of all charities.

In 2023, the largest charity in Canada, in terms of assets, was the Mastercard Foundation, a private foundation with a global mission, that reported assets of $55.8 billion.

Leaving aside public institutions and authorities, the three largest operating charities, in terms of assets, are the Salvation Army ($1.8 billion), the Nature Conservancy of Canada ($1.5 billion) and Canadian Blood Services ($1.0 billion).

A significant majority of charities – 85% – report annual revenues below $1 million, with 43% reporting revenues, from all sources, less than $100,000. In 2023, the three charitable organizations reporting the largest flow of receipted donations were World Vision Canada ($217 million), the Jesus Christ Church of Latter-Day Saints in Canada ($190 million) and the Canadian Red Cross Society ($180 million). None of them came close to the donations of $442 million reported by Charitable Gift Funds Canada Foundation (a DAF foundation)[5].

Charities are funded by a combination of government contributions, earned income, grants from other charitable organizations, and donations secured through active fundraising or received on an unsolicited basis. In reports published in 2025 and 2026, two-thirds of charities indicated that they had met their revenue goals for the previous year, while 30% reported falling short of targets.

A CICP survey in early 2026 asked almost 1,000 charities about revenue diversification. Although 46% claimed to be seeking new sources of revenue, none of the charities indicated that they viewed DAFs as a possible source to tap into (although 66% identified foundations, in general, as an opportunity).

Flows from DAF foundations to charitable organizations are reported on the T3010 as amounts Received from Other Registered Charities. In 2021, DAF gifts represented 11.9% of these amounts. By 2024, the share represented by DAF transfers had climbed to 15.6%, further evidence of the growth and importance of DAFs[6].

[5] In 2024, Charitable Gift Funds Canada Foundation reported a 31% increase in donations while in the same year World Vision saw a 9% decline in donations.

[6] Data used to develop this information was sourced from Blumberg's Snapshot of the Canadian Charity Sector 2024.

1.3 The Changing Fundraising Landscape

The fundraising difficulties experienced by some charities (potentially as many as 20,000) reflect a combination of factors.

Declining Donor Participation

Donor participation rates (based on individual tax filers claiming a tax credit) fell from 21.9% in 2013 to 16.8% in 2023. The percentage of participating families/households also decreased. The Fraser Institute Generosity Report 2025 notes that the percentage of aggregate income donated to charity by Canadian tax filers decreased from 0.55% in 2013 to 0.52% in 2023.

Some commentaries, as well as CRA data, point to the fact that high income/high net worth (HNW) individuals (those most likely to establish a DAF) are shouldering an increasingly heavy burden. A recent report by Blakely Inc. indicates that a growing number of charities are reliant on "high value giving"; in 2019 the share of charities emphasizing the need for "high value giving" was 30%, a share that increased to 48% in 2024.

However, only 53% of individual Canadians who reported annual income more than $250,000 (289,730 filers) claimed a tax credit in 2024[7]. Put another way, there are thousands of Canadians with the financial means to make a major gift who have not made charitable giving a priority or a reported wealth activity [8].

Approximately 6.5% of affluent Canadians, many of whom are over the age of 65, are estimated to use a DAF for some or all of their charitable giving. That share is expected to climb over the next decade as considerable wealth is transferred, and convenience becomes a sought-after commodity.

Support for Fewer Charities

A second challenge to the sector is that those who donate are choosing to support fewer charities. The 2025 fundraising study referenced above notes that, of the individuals who donate, 75% support no more than three charities, an increase of five percentage points over a five-year period. Also, Canadian DAF donors support relatively fewer charities, compared to Americans that use a DAF: the average number of charities supported in Canada in 2024 was 2.2, lower than the 2.7 charities supported by DAF donors in the US.

Declining Fundraising Investment

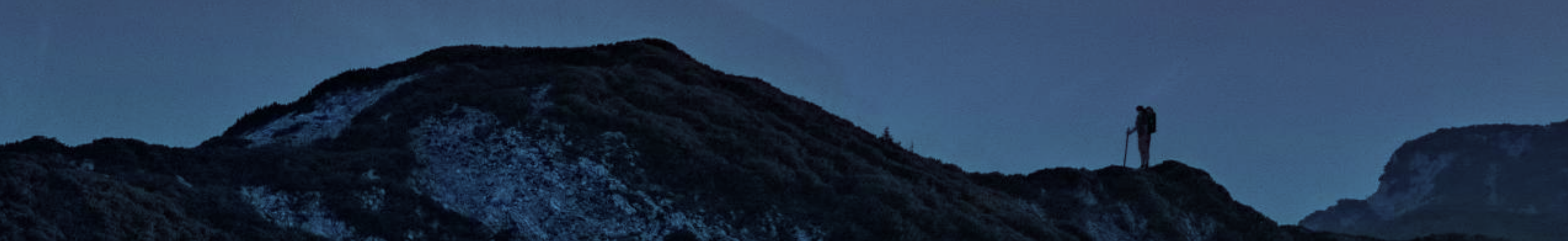
Canadian charities have under-invested in fundraising in the past decade. In 2013, total fundraising costs reported by charitable organizations on their T3010 filings was $2.6 billion, or 1.2% of total expenses. By 2023, that total had shrunk to $2.3 billion, a decline that's even more significant if adjusted for inflation over that decade.

Also, fundraising costs as a share of total donations and grants declined from 13.0% in 2013 to 6.5% in 2023. And, in a 2025 CICP survey, 34% of charities pointed to a lack of resources as a driver of weak revenue generation, with 20% specifically identifying inadequate investment in fundraising.

As referenced earlier in the report, a 2026 CICP report found that 76% of charities mentioned fundraising "stability and sustainability" as a priority, with the second biggest challenge identified being the development and management of donor relationships – an issue frequently linked to DAF donations.

[7] Perhaps even more concerning is that of the 25,510 individuals reporting income of more than $1 million only 72% claimed a tax credit.

[8] According to a 2025 Parliamentary Budget Office report, 1.1 million families in Canada had a net wealth of $2.5 million or more in 2023. Total net wealth of these families was reported to be $7.4 trillion, or 45.2% of total net wealth of all Canadians.



Shifts in Fundraising Strategies

Charities have made significant changes to their approach to fundraising. While these may have had the effect of reducing immediate expenses, the actions taken may jeopardize fundraising goals over the medium-term.

T3010 data published by CRA for 2024 and summarized in Blumberg's Snapshot of the Canadian Charity Sector 2024, indicates that, compared to ten years ago, an increasing number of charities are now focused on strategies such as: targeting specific donors with major gift potential; seeking more corporate donations; building planned-giving programs; and, importantly, significantly growing their internet solicitation activities[9].

Set against these initiatives has been a reduction in charities undertaking high-cost activities such as fundraising events, galas, auctions, direct-response campaigns, and television advertising.

1.4 Section Summary

In 2023, Canadian donors supporting charities (as measured by those claiming a donation tax credit) was 120,000 below the number of donors supporting charities in 2019. This is despite a year-over-year increase in total donations. The negative trend, coupled with a decline in the number of charities being supported by individual donors, has placed a strain on many charities, particularly small charities with annual revenue less than $1 million.

Over the last few years, the burden of providing donations has fallen on the shoulders of older donors and those with above-average incomes and accumulated wealth. At the same time, these donors have modified the way in which support is provided through a steady increase in the use of intermediated private-giving vehicles, such as DAFs.

[9] In 2024, 14,242 charities reported on their T3010 filings that they used the internet for fundraising purposes. The number of charities using TV/Telephone solicitations was 1,789.

2.0 The DAF Sector in Canada

2.1 Data Challenges in Canada

Since 2023, CRA has required registered charities and foundations to report details of DAFs. CRA collects and publishes DAF information from registered charities through the T1236 worksheet. The data collection is an important step, and has enabled improved analysis and wider reporting, but, as with data from the T3010 form, the information has limitations.

For example, there is no consistency in terms of fiscal year ends. Some foundations with DAFs close their books on December 31, while others choose March 31 or July 31. As a result, it is nearly impossible to develop an accurate picture of DAF numbers, assets and flows at a particular date or over a specific period. Inevitably, those reporting on the sector are required to estimate various totals.

Second, some charities fail to accurately complete various filings, particularly the T3010. In 2024, for example, one leading DAF foundation reported having no DAFs at December 31, 2023, although the foundation reported a total of 3,083 DAFs and assets of almost $450 million in response to a survey. Also, charities and foundations sometimes report having DAFs when, in fact, what they are reporting are donor-directed funds, field-of-interest funds, or scholarship funds, not DAFs.

Part of the challenge may be in the CRA definition, which could be interpreted to cover any type of individual fund established at a charity or foundation pending direction from the donor. Furthermore, CRA does not verify the accuracy or consistency of data reported on the T3010.

Finally, there is no uniformity in the way in which DAF foundations report individual distributions on their T1236 filings. Some report each gift made by a DAF, while others total individual gifts made to the same charity. Also, foundations, such as the 209 community foundations in Canada, provide an extensive range of services and are not required, on form T1236, to separate gifts from a DAF and gifts from other types of fund.

To avoid numerical exaggeration, this report will focus on those charities and foundations whose primary activities include the solicitation, establishment, administration and management of DAFs in the names of individuals, families, businesses and associations. This report does not catalogue every fund that has reported having a DAF in recent filings, nor does it provide metrics that reflect that population.

2.2 Overview of DAFs in Canada

This section focuses on trends and metrics reported by a sample of leading DAF foundations that represent an estimated 85% of sector assets and numbers. These foundations are the largest, fastest growing, most active, and most influential, and attract a wide range of philanthropists in terms of age, gender, income and wealth.

Also examined here are the relationships between DAF foundations and operating charities that rely wholly or partially on revenue from direct donations, grants, gifts from third parties (including governments), and gifts from DAFs.

Although categorizing charities is fraught with challenges, as indicated in the 2025 report published by the CAGP Foundation titled Empowering Philanthropy, the universe of DAF foundations can be divided into five groups:

- **Community**, such as Vancouver Foundation
- **Dedicated**, such as SickKids Hospital Foundation
- **Faith-based**, such as Canadian National Christian Foundation
- **Financial services**, such as Nicola Private Giving Foundation
- **Independent,** such as Canada Gives Foundation

Other than financial services and independent foundations, many foundations have either a regional, congregational or mission bias. The most recent data released by CRA indicates that, in terms of assets held in DAFs, at least 80% of assets are held in either community, financial services, or independent foundations, all of which benefit from active and expanding referral networks.

2.3 Operating Models

DAF foundations employ a variety of operating models, and no single model dominates the sector. For example, among the 300 to 350 DAF foundations[10] that make up the sector in Canada, the minimum donation to establish a DAF is $0 to $250,000, a wide range.

Also, many foundations do not offer endowed DAFs as an option and focus entirely on spend-down or flow-through funds.

A third area where variances exist is in policies associated with gifts made by DAF foundations on the recommendation of a DAF advisor[11]. Some DAF foundations require a minimum annual distribution (often linked to the Disbursement Quota of the foundation), while others impose no specific obligation on the DAF. Furthermore, the frequency of the distribution of gift payments to recipient charities can range from immediate to annual.

Differences also exist in the manner in which undistributed DAF assets are invested. Investment management practices vary among DAF foundations, with some pooling assets to be managed by a single or multiple external managers, and other foundations allowing investment managers or advisors /managers used by the DAF donor to manage assets on behalf of the DAF foundation. As a result, investment management costs incurred by and charged to the DAF can range from 0.5% to more than 2.0%.

[10] Some sector analysts claim that there are more than 500 charities and foundations administering DAFs. The range used in this report is an estimate that eliminates a number of reporting organizations that either report a single DAF or non-DAF funds.

[11] In most cases, the DAF advisor is the individual or one of the individuals who established the DAF. This should not be confused with the financial advisor.

2.4 Non-cash Donations

Another matter that separates DAF foundations from the charitable sector as a whole is the flow of non-cash donations. In 2024, non-cash donations, such as those involving securities (both public and private) and insurance policies, represented 23% of tax-receipted donations in the sector.

For 2024, leading community foundations active in the management of DAFs reported a share of 38% of non-cash donations, while DAF foundations that rely on referrals from investment advisors and investment counsellors, reported an average share of non-cash donations of 66%. One DAF foundation associated with two major dealers reported that 88% of their donations came in the form of either appreciated securities or insurance policies, while another DAF foundation established by a prominent investment manager reported a share of 86%.

In addition, a number of DAF foundations promote their ability to act for small charities that do not have the capability to manage most types of non-cash donations.

2.5 Gifts from DAFs

As mentioned above, this report focuses on the relationships between DAF foundations and operating charities[12]. Those relationships are based on the flow of gifts from foundations that manage 50,000-60,000 individual DAFs. A sample of leading DAF foundations suggests that the value of DAF gifts rose by 23% from 2023 to 2024, to reach an estimated $1.7 billion[13].

In terms of the total amount gifted in a year, and using recently published T3010 data, the two leading DAF foundations were the Jewish Community Foundation of Montreal ($237 million) and Charitable Gift Funds Canada ($216 million). When gifting activity is measured by the number of gifts, other than the Canadian Online Giving Foundation which operates a flow-through model, the most active foundations were the Strategic Charitable Giving Foundation (8,161 gifts) and the Private Giving Foundation (4,995), both of which are associated with major financial institutions.

In terms of gifts per DAF, the most active DAFs are managed by Canada Gives Foundation where, on average, each DAF made 3.2 distributions, compared to a DAF-sector average of 2.2. At the other end of the scale, in terms of gifting frequency, are two established DAF foundations that recorded gifts well below half the number of reported DAFs. In other words, many DAFs were inactive and failed to make a gift in the reporting period.

Although there is no comparable Canadian data, US data suggests that there has been slippage in the share of DAFs that do not make a grant in a given year; in 2021 the non-granting share was 29%, with the percentage increasing to 35% in 2024.

[12] In this report, no distinction is made between a gift from a DAF and a grant, despite the clear differences. A gift is a transfer of property made to a charity with no restrictions on how the gift is used. A grant is a financial contribution for a specific purpose that is accompanied by terms and conditions, reporting requirements, and defined outcomes. Gifts and grants fall into the category of “qualifying disbursements,” as defined by CRA.

[13] Aggregated 2024 T3010 data reports 186,405 individual DAFs and total gifts to qualified donees of $1.9 billion, totals that are exaggerated due to filing errors, as explained in “2.1 Data Challenges in Canada” above.

2.6 Gift Recipients

According to WellFunded, a Canadian online service provider to DAF foundations, the most popular causes supported by DAFs are Health (20.7%), Education (15.9%) and Religious causes (10.5%).

A limited 2026 survey of affluent DAF donors, by Canadian Family Office, confirmed the leading position of Health, but it elevated Arts & Culture to second place and moved Religious causes to sixth. Whichever survey is used, these giving priorities are inconsistent with general giving trends in Canada.

Individual gifts from DAFs range in size and destination. Based on 2024 CRA filings, DAF gifts ranged from $5 (from a BC-based DAF foundation to Dogs with Wings, in Edmonton), to $22 million (from a private DAF foundation to the George Brown College Foundation, in Toronto).

2.7 Measuring Distribution Rate and Flow Rate

Two metrics are frequently used to measure the granting habits of DAFs: (1) Distribution Rate, which measures the percentage of assets distributed each year; and (2) Flow Rate, which relates to inflows (donations) and outflows (gifts) to and from DAFs. Distribution Rate should not be confused with Disbursement Quota (DQ); Distribution Rate looks at past performance, while DQ looks to the future.

The Distribution Rate was 10.4% for 2024, lower than 12.7% in 2023, but higher than the Distribution Rate reported by all private foundations. Within the sample of DAF foundations, individual Distribution Rates for 2024 ranged from a high of 46.5%, reported by an independent foundation, to a low of 3.4%, reported by a faith-based foundation. There is no government-mandated Distribution Rate for individual DAFs.

In terms of Flow Rates in 2024, the sample average was 56.8%[14], marginally lower than the 59.5% reported in 2023. Individual DAF foundation Flow Rates for 2024, which are impacted by both new donations and the value of gifts made, ranged from a high of over 100% at two major community foundations to 31% at a fast-growing independent DAF foundation[15].

Although the absolute level of DAF gifts and the number of DAF gifts both deflect some criticisms about "idle capital," the year-over-year decline in Distribution Rate and Flow Rate, and comparisons to similar metrics in the US and the UK, bolster calls for either guidance or regulation to ensure that more capital held in DAFs is made available to the sector each year.

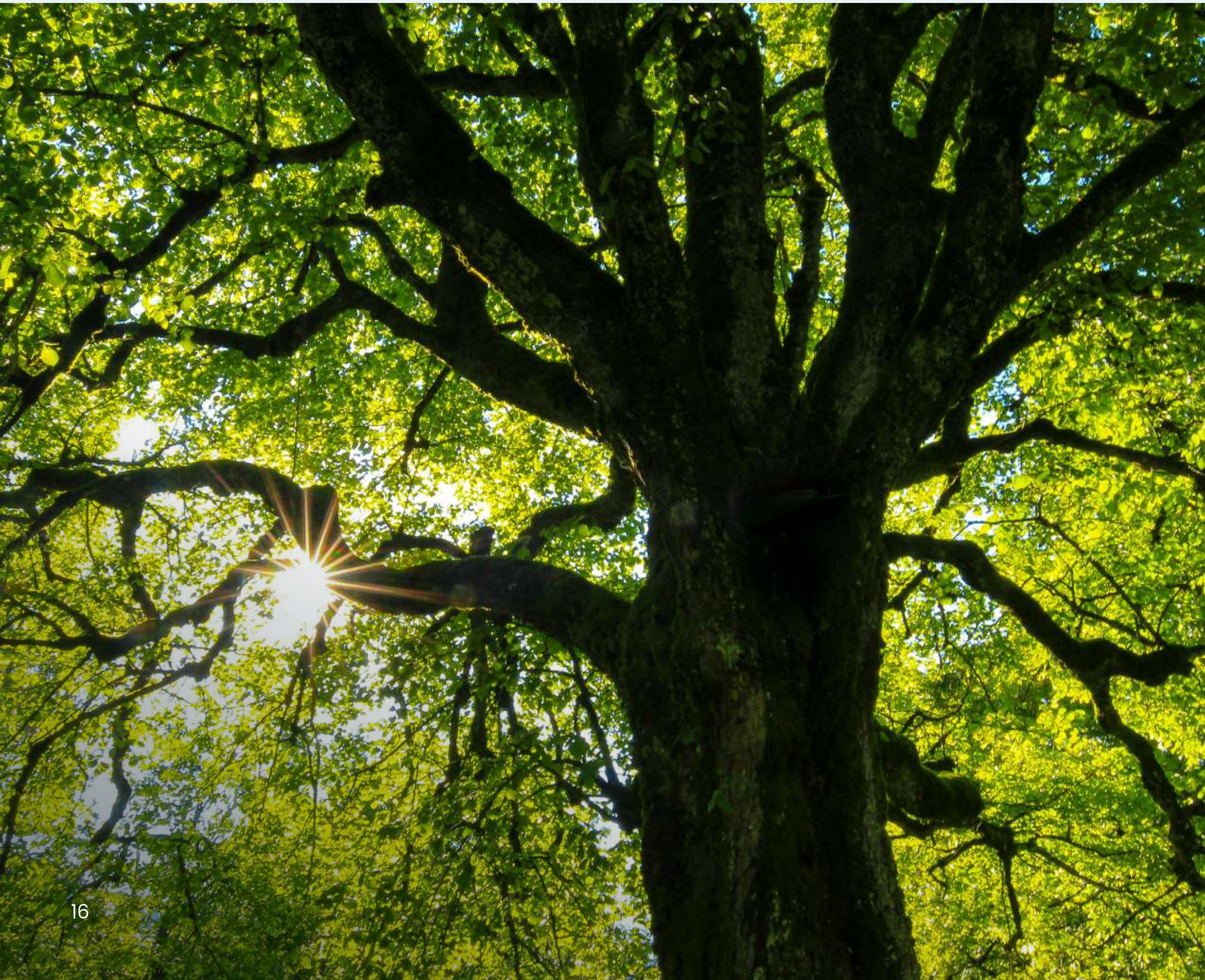
[14] In addition, based on aggregated T3010 filings, the Flow Rate was 58.5% in 2024.

[15] It is instructive to link the Flow Rate to the long-retired 80% rule. Historically, charities were required to spend 80% of the previous year's tax-receipted donations on charitable activities. This specific "80% disbursement quota" was repealed in 2010.

2.8 Section Summary

DAFs in Canada continue to show strong growth in terms of numbers of funds, assets held in those funds, and grants made from those funds to operating charities. However, double-digit growth in DAF assets has not been accompanied by high rates of capital distribution by DAFs to charities. Also, despite funding challenges being experienced by small charities, the gifts made by DAFs are primarily directed to large charities.

The growth in DAFs has been driven by liquidity events and wealth-creation activity from the sale of fixed and long-term assets, as well as by buoyant capital markets. The development of personal philanthropy programs by large and mid-sized financial institutions and investment firms has also been a positive influence, and the noticeable increase in the use of non-cash investments to fund DAFs is evidence of their involvement.



3.0 Review of the Literature

In North America, DAFs have been available to philanthropists, both large and small, for the past seventy years and are now offered in countries as far afield as Australia, China, Hong Kong, India, Ireland, Japan, the Netherlands, New Zealand, Singapore, South Korea and the UK[16]. Despite the history and breadth of DAF developments, research is limited about the relationship between DAF foundations and charities. Not surprisingly, given the size of the DAF sector, the majority of studies have been published in the US[17].

The following summary of relevant research examines the relationships between DAF foundations and operating charities through different lenses.

3.1 Gifts from DAFs

In 2024, among US DAFs that made gifts, an average of 2.75 gifts were distributed, a rate higher than the 2.2 reported by the Canadian DAF sector that year.

A 2022 study from the Donor Advised Fund Research Collaborative (DAFRC) reported that unrestricted gifts represented 65% in terms of numbers but less, 35%, in terms of the dollar value of all gifts. In other words, although fewer gifts were restricted those gifts were of higher value.

A 2025 report by the DAFRC point to a decrease in the share of unrestricted gifts in both numbers and value (59% and 29%, respectively) at a time when operating charities are seeking to increase the flow of unrestricted revenue[18]. Another recent study by the same institution reported that a significant majority of anonymous grants, both in terms of numbers and value, were unrestricted.

[16] See Appendix for further discussion of the growth of DAFs outside of North America.

[17] As at December 2024, assets held in 3.6 million DAFs in the US totaled $326 billion.

[18] In 2023, Vanguard Charitable (VC), a major US foundation associated with a leading mutual fund manager, reported the rate of unrestricted giving as being steady over time regardless of donor tenure, with the average donor over the past decade giving seven out of every ten grants on an unrestricted basis. VC also reported that in 2022, more than 50% of dollars granted and 70% of individual grants were unrestricted.

3.2 Disclosure of Donor Information

The topic of disclosure, or lack thereof, by donors and DAF foundations has been the subject of a good deal of commentary. *The National Survey of Donor Advised Fund Managers*, published in the US in 2025, reported that only 36% of gifts were made with full disclosure of the donor's name and contact. Also, a publication by the DAFRC noted that 12% of donors establishing a DAF were attracted by the fact that they could make anonymous gifts.

Research on disclosure is often focused on the issue of anonymity. Reasons given by donors for requesting anonymity include:

Do not want public recognition	72%
To avoid solicitation for additional gifts	71%
Moral/ethical/religious grounds	48%
Don't trust charity to keep gift confidential	30%

A 2023 study of DAFs published by the CAGP Foundation in Canada noted that some financial advisors promote the option of anonymity as a benefit in soliciting clients to establish a DAF. Promoting anonymity is contrary to indications that a majority of Canadian DAF donors seek to establish a relationship with the charities that they support. Furthermore, according to a 2025 study by Blakely Inc., 84% of Canadian donors trust the charities to which they donate.

3.3 Usage and Level of Activity of DAFs

In a companion report released with The National Survey of Donor Advised Fund Managers, two-thirds of DAF donors used their DAFs to make at least half of their annual donations, with only 17% claiming that virtually all of their charitable gifts flowed through a DAF. The types of gifts excluded from DAF gifts were identified as those under $100 (87%), spontaneous gifts (62%) and gifts associated with natural disasters (50%). DAF users also demonstrated a high degree of loyalty, with 61% indicating that at least 75% of their gifts were repeat gifts to a small group of charities[19].

Also, a 2022 a study published by the DAFRC reported that only 9% of DAFs could be classified as "inactive" in that these funds did not receive a contribution or make a gift in four years (2017-2020) and that 86% of all DAFs made at least one gift during that period. In 2025, the DAFRC reported that the share of "inactive" funds had increased to 11%, despite the evidence that almost 80% of foundations reported monitoring funds for inactivity. Reasons given for inactivity included use of another resource for giving (53%) and a desire to allow the DAF balance to grow (44%). Inactive DAFs were most likely to be categorized as either "small" or "very small."

The research also indicated that approximately 18% of all DAFs were flow-through DAFs and another 29% were endowed, suggesting that more than half of all DAFs were conventional spend-down funds.

[19] In 2023, Vanguard Charitable echoed this trend, reporting that 69% of grants issued by the typical established account over the past 10 years were repeat grants.

3.4 Receiving Gifts from DAFs

A 2020 study by the Lilly Family School of Philanthropy at Indiana University, reported that approximately 70% of US nonprofits had received at least one gift from a DAF.

In another study, Non-Profit Trends and Impacts 2021, data showed that small charities received less support from DAFs than large charities did[20]. A later report, published in 2024, used a small sample of relatively large nonprofits, and reported that a median average of 12% of giving came from DAF grants. And yet another study, based on a wider range of charities, indicated that two-thirds of charities reported a 10% share of donated gifts coming from DAFs[21].

In the US, incidents of receiving DAF gifts by size of charity were reported to be:

for charities with annual revenue under US$100,000	35%
for charities with annual revenue US$100,000 - $500,000	47%
for charities with annual revenue US$500,000 - $1 million	59%
for charities with budgets US$1 million and above	65%

These trends were further emphasized by 2022 data published by FreeWill in 2023:

Size of Charity (Annual Revenue)	Number of DAF Gifts	Total Value of DAF Gifts	Average Size of Gift
US$0 - US$100,000	5	US$32,922	US$6,584
US$100,001 - US$1 million	18	US$68,067	US$3,781
US$1 – US$10 million	60	US$370,672	US$6,178

[20] The Urban Institute study also suggested that urban charities (55%) are more likely than rural charities (44%) to receive financial support from DAFs.

[21] In a 2026 study focused on campaigns, KCI indicated that nearly three-quarters of survey respondents indicated that some campaign gifts are made through DAFs, with 60% reporting that DAFs accounted for between 1 and 10% of total campaign revenue. Almost one quarter of charities surveyed reported that DAFs did not contribute to their campaigns.

3.5 DAFs Compared to Direct Gifts

In 2023 and 2024, a number of US studies indicated that mean (average) and median gifts from a DAF were considerably higher than gifts made directly by a donor.

In the 2024 DAF Fundraising Report it was also indicated that 63% of former direct donors who had switched to using a DAF increased their level of giving[22], versus 15% who reported lower levels of giving.

An article titled *How Donor Advised Funds Change Fundraising*, from the Multidisciplinary Digital Publishing Institute, noted that 56% of DAF grants are larger than US$10,000, and that the median DAF grant is between US$10,000 and US$50,000, amounts that align with many nonprofits' thresholds for categorizing major gifts.

Research also noted that DAF flows do not always follow the traditional pattern of direct gifts that tend to be clustered in the latter part of the year. On average, only 25% of DAF gifts in the US are made in the last months of the year.

3.6 DAF Solicitation

More than one study concluded that charities that solicit DAF gifts are more likely to receive a gift from a DAF than those who do not publicly recognize DAFs as a potential revenue source. In other words, charities that solicit are favoured with larger DAF gifts than those charities that remain silent on the topic. In 2023, FreeWill reported that 54% of US charities did not solicit DAF gifts in 2023, and of those, 80% did not receive a DAF gift.

In addition, research indicates that retention rates for DAF donors are higher than for non-DAF donors. In the FreeWill report referred to above, retention rates for DAF donors were 50% in 2023 and 59% in 2024, compared to 42% and 46% for non-DAF donors in the same years. The ability to retain DAF donors is influenced, in part, by the willingness and ability of the charity to be proactive in acknowledging the gifts. One survey of DAF donors reported that only 60% of DAF donors "always" or "often" receive gift acknowledgements.

Also, a 2025 study in the UK, published by Manifesto, dealt with the topic of post-gift issues that might be disruptive to donor relationships and, potentially, donor loyalty: 61% of donors surveyed identified repeat solicitations and solicitations at an unreasonable level as being causes for disengagement, and 40% complained about "too many messages and emails." Almost half of the survey respondents wanted more "control" over the manner and frequency of contact with charities.

[22] A report from Schwab Charitable in 2021 claimed that two-thirds of their clients reported giving more following the establishment of a DAF.

3.7 Challenges to Soliciting DAF Gifts

Despite the reported benefits of soliciting gifts from DAFs, there is a reluctance by many charities to adopt such a strategy. In 2023, FreeWill reported that approximately 80% of charities responding to their survey believe that DAFs will become increasingly important as a source of revenue, although only 42% of charities viewed DAF solicitation as a high priority.

In a 2020 study by the Lilly Family School of Philanthropy, half of surveyed charities that had received gifts from a DAF said that the ability to solicit DAF gifts was a matter of concern. This concern was registered by 70% of charities that were not receiving gifts from DAFs.

Some of the reluctance to focus on the development of a DAF solicitation strategy may reflect challenges that charities report in dealing with DAF gifts.

These challenges include:

- Not knowing which prospective donors have a DAF.
- Not having the systems capability to record both the name of the foundation and the ultimate donor.
- Unclear information about the application of a gift.
- Minimal disclosure by the DAF foundation on the identity of the donor which limits the ability of the charity to establish and maintain a relationship.

Almost one in three charities reported meeting with representatives of DAF foundations as a way of soliciting DAF gifts. The popularity of this strategy was tempered by a less-than-positive view of DAF foundations; only 50% of national foundations in the US (such as Fidelity Charitable) were viewed favourably by charities, a percentage that rose to 59% for community foundations. Also, national foundations were described by some as "hard to deal with."

As mentioned in the Lilly Family School of Philanthropy study, an undue administrative burden appeared to be a perceived rather than a real challenge; only 16% of charities that were regular beneficiaries of DAF gifts identified this as an issue, compared to 42% of charities that had minimal exposure to DAFs.

3.8 DAFs and Fundraising Practices

Only 25% of fundraisers in 2025 mentioned lack of knowledge about how to solicit DAF gifts as a "pain point," compared to 29% in 2024, with 35% of them acknowledging that increasing the flow of DAF gifts was a priority. A factor leading to a positive attitude among fundraisers was a belief that DAFs make it easier for donors to give large, complex gifts of non-cash, such as appreciated securities and cryptocurrencies.

In a recent article published in the Chronicle of Philanthropy, it was suggested that the intermediary role of DAF foundations has disrupted recognized professional fundraising approaches to donor engagement (donor identification, qualification, cultivation, solicitation, recognition and stewardship), as well as the management and administration of donor information, core to relationship fundraising.

While not all charitable organizations have dedicated fundraisers, given the continued growth of DAFs, discussions on new approaches have begun to emerge in practitioner and academic literature[23].

[23] The DAF Donor Relationship Management Cycle is a specialized, six-stage framework—Identify, Qualify, Cultivate, Solicit, Acknowledge/Recognize, and Steward—adapted to navigate the unique complexities of donors using Donor-Advised Funds (DAFs). This approach addresses the shift from direct giving to third-party, tax-advantaged giving by emphasizing tracking, education on DAF restrictions, and building long-term, high-engagement relationships with strategic donors.

3.9 DAF Criticisms

Criticisms of DAFs fall into six main categories:

- Disbursements to operating charities
- Idle capital
- Disclosure of donor information
- Transparency of granting activity
- Conflicts of Interest
- Foundation-to-DAF or DAF-to-DAF transfers

Lack of Clear Disbursement Obligations to Charities

Many critics have pressed regulators in Canada and the US to either impose a disbursement obligation on individual DAFs[24] (rather than on the DAF foundation) or to require DAFs to disburse all original assets within a specific time frame (with suggestions in the range of 10-15 years). This latter measure is often referred to as a "sunset" rule.

The proposals are unclear as to whether such a rule would cover all donations to a fund or just the original donation, and whether it would be restricted to the capital donated or also include income and capital gains earned over the life of the donation.

Idle Capital

The backdrop to published comments and criticisms about disbursements is a belief, in some quarters, that there is excess or "idle" capital in private and public foundations. As a point of reference, at the end of 2024, total long-term investments held by all charities were $226 billion, of which foundations held approximately 65%. Long-term investments represented approximately 75% of total DAF foundation assets.

It would be misleading to identify this pool of capital as "idle," as the majority is held in income-generating investments. In 2023, for example, the revenue generated by this "idle" capital through active investment was $3.2 billion. In some cases, as with hospital foundations, this revenue, often from endowed assets, is used to fund critical medical research, while in other cases the revenue is used to fund the normal activities of the foundation. Furthermore, in the case of public and private foundations, this "idle" pool of capital is the source of ongoing grants to operating charities that seek sustainable sources of funding.

Using long-term investments as the denominator (thus excluding illiquid assets) and applying the formula used to determine the DAF Distribution Rate, the rate for all foundations for 2024 was 8%, a rate well north of the 5% CRA-determined DQ, but below the average DAF Distribution Rate of 10.4%.

This data does not, however, hide the fact that there is a significant and growing pool of foundation-owned capital available for distribution.

[24] To ensure a flow of gifts to operating charities and to meet a foundation's Disbursement Quota, many DAF foundations in Canada impose a requirement that every DAF distributes a minimum of 5% of start-of-year assets or a predetermined individual DAF DQ every 12 months.

Disclosure of Donor Information

There are two primary disclosure issues raised by critics:

- Should the receiving charity always be made aware of basic information (name of the fund and identity of the donor) at the time the gift is received?
- Should the public be able to monitor the grants made by individual DAFs?

Some observers claim that it is reasonable for a recipient charity to know the original source of their funds to ensure that the recipient's mission aligns with the donor's values. These observers believe that, just as an investment advisor is required to "know your client", an operating charity should be able to determine the identity and suitability of a donor, even if that donor is using a giving structure, such as a DAF, that may hide some information.

Also, charities may not wish to be associated with certain donor groups or individuals, and the charities need to be positioned to reject donations from unsuitable donors[25]. The board of the receiving charity has a fiduciary duty to protect the integrity and reputation of the charity. To some critics, not being aware of the identity of a major donor may compromise the board's ability to discharge this responsibility.

Transparency about Granting Activity

In response to published criticisms of a lack of transparency and limited reporting about granting activity, an increasing number of leading DAF foundations make audited annual financial statements and annual giving reports available to the public. There is no regulatory requirement that foundations with DAFs publish such reports.

A review of material published by DAF foundations indicates that Community Foundations are most likely to publicize detailed and extensive information. Some deal with only fund totals while others publish the name and balance of each fund (as opposed to the name of the donor(s) who established the fund), the amount of each grant, and the name of the charity receiving the grant[26].

[25] For example, in March 2019, London's National Portrait Gallery declined a £1 million (approx. C$1.8 million) donation from the Sackler Trust due to mounting pressure over the family's link to the U.S. opioid crisis.

[26] This issue is also discussed in Section 5 of the report.

Conflicts of Interest

Another frequent criticism of DAFs is the potential conflict of interest faced by financial institutions and financial advisors. The argument becomes acute where the DAF foundation is linked to a financial institution and where the DAF is required to invest in investment products managed by that financial institution, such as a mutual fund, which generate significant revenue for the institution. The longer the assets are held in a DAF, the greater the revenue earned by the bank or investment firm. In the case of financial advisors, as long as the investments remain in the DAF, a portion of the management fees may flow to the financial advisor either as a trailing commission or an administrative fee.

The absolute level of fees, the types of fees, and how the fees are charged (or costs recovered), although mentioned by some commentators, are not subject to the same degree of criticism. This may reflect the fact some DAF foundations have taken steps to reduce the level and complexity of fees/costs recovered from DAFs.

Critics, however, claim that financial institutions and financial advisors are unlikely to subvert their core drive for profit and act in favour of the community as a whole.

DAF Transfers

A few US reports point to private foundations who use DAFs to hide their activities. Private foundations with assets more than $1 million are required to meet a 5% Disbursement Quota (DQ) each year. These charitable distributions are part of the public record. However, when a private foundation makes a grant to a DAF, the eventual use of the funds can be hidden. Technically, the funds have been gifted to a charity but, because individual DAFs have limited transparency, the public will not know if the money subsequently went to an operating charity, and, if so, to which one(s).

Transfers are also made from one DAF foundation to another DAF foundation, for a variety of reasons. Donors relocate, advisors change firms, or a DAF foundation may change its policies or areas of focus if they no longer align with the fundholder.

Reports from the US indicate that approximately US$2.9 billion was moved from one DAF foundation to another in 2024, representing 4.5% of total grants and gifts made by DAFs that year.

One proposal is to exclude transfers to a DAF by a private foundation or transfers from one DAF foundation to another DAF foundation from the determination of the DQ for the transferring institution.

3.10 Section Summary

Most research into the relationship between charities and DAF foundations has been undertaken in North America. Studies indicate that the benefit of DAF grants, in terms of frequency and value, declines in keeping with the size of the charity. In other words, small charities benefit less from DAFs than do large charities.

Research also indicates that an increasing number of charities in the US are developing strategies to solicit funding from DAFs directly and through DAF foundations. These strategies are based on the grounds that those charities that position themselves as participants in the DAF sector are more likely to receive grants than those who ignore the DAF opportunity.

However, an increasing amount of solicited and unsolicited funding from DAFs is received by charities on a restricted basis, which may not be consistent with the needs of the charity. It is also a matter of concern that a significant amount is moved each year from DAFs to other DAFs and from private foundations to DAFs.

4.0 Study Findings

Through interviews and CICP survey data, the following voices from operating charities and DAF foundations shed light on the role of DAFs in the Canadian charitable sector and offer insights into the challenges impacting their relationships.

4.1 Landscape Perspectives

This section focuses mainly on data and opinions from charities and DAF foundations in Canada – and how they engage with each other

Perceptions of DAFs in the Sector

Among charities, views on DAFs vary. Those that have received DAF gifts have observed an increase in the number and dollar value of DAF gifts over the last two to three years. Given the convenience DAFs offer donors, growing awareness among donors, the influence financial advisors have on affluent donors, the ongoing creation and transfer of financial wealth, and concerns among donors about privacy, many charities believe DAFs will continue to grow.

Charities that know DAFs tend to be more positive towards them. They see DAFs as an opportunity to reach and engage new donor audiences and recognize this may require learning new ways of working: As one charity leader put it, **"I'm perplexed by the push-back from some charities about DAFs. We work with them like any other allied professionals in the space, and we've had some great results."**

Other charities express frustration and concern about the growing role of DAFs in philanthropy, and they indicate a reluctance to engage with them. Some note, with discomfort, that neither specific expertise nor infrastructure, only CRA status, is required to set up a DAF foundation. Others hold the view that DAF foundations represent unwanted competition for a scarce resource, that these foundations do not serve as an intermediary, and that they represent a for-profit barrier, not a conduit to donation flows. One charity leader summarized it best: **"I'm not a fan…most have no community expertise and have conflicts of interest around holding assets."** Another charity expressed disagreement in principle with DAFs, suggesting: **"DAFs seem like another way for rich people to dictate the operations of social-good-oriented organizations."**

From DAF foundations' view, they point out that they are charities themselves and part of the philanthropic sector. They spoke of the convenience that DAFs offer donors and of their belief that they are expanding giving, not taking it away, for charities. Some expressed the belief, without evidence, that assets would never have been directed to philanthropy without DAF foundations and that DAF foundations have proximity to wealth holders through financial advisors, an opportunity that charities simply do not have. DAF foundation executives commented: **"We're seeing charities getting larger gifts and DAF donors becoming more savvy"** and **"We hold the responsibility seriously and want to be a good partner to charities."**

DAF foundations are aware of common critiques and potentially disruptive aspects of DAFs but also observe growing acceptance of DAFs among charities. A couple of DAF foundation leaders acknowledge some DAF programs function more as gatekeepers and should invest more deeply in the donor and charity side of the business. Yet, they believe the potential of DAFs will ultimately be transformational for charities and express their desire to work collaboratively with their charitable partners.

"We have to get past critique and figure out how to work together," said one DAF foundation executive. **"More trust between DAFs and charities would really help, with mutual respect for each other's roles and needs,"** suggested another DAF foundation executive.

How DAF foundations describe themselves:

"We are connectors, not barriers"
"We are partners, not competitors"
"We're a reservoir, not a parking lot."

Types of DAF Foundation Advice to Fundholders

With DAFs, fundholders recommend to the DAF foundation gifts to be made to specific charities from their fund. DAF foundations then review and act on those recommendations within the scope of their gift policies[27]. However, charities had questions about the degree to which DAF foundations advise fundholders on their giving. While some DAF foundation offer no advisory support, many indicated they generally focus on high-level donor education including:

- giving efficiently (e.g. gifting appreciated securities)
- questions to consider when selecting causes or specific charities
- debunking common charity myths (e.g. overhead costs are bad).

Some DAF foundations indicate they encourage fundholders to provide full disclosure to charities, encourage multi-year giving, and encourage the adoption of trust-based philanthropy principles.

DAF foundations note efforts to educate donors about CRA's charitable giving such as giving guidelines; guidelines allow gifts to qualified donees but not for events, sponsorships, or anything resulting in private benefit. (Only one DAF foundation interviewed indicated they provide the opportunity for fundholders to grant to non-qualified donees.) Education is delivered to clients either one-on-one, through the production of philanthropy-related content, or by hosting virtual or in-person events, including field-of-interest events that bring donors and charities together.

A small number of charities express concern that staff at DAF foundations promote only charities that they personally like or are connected to, and some charities worry they may be at a disadvantage if they do not have direct access to DAF leaders. In contrast, DAF foundations consistently report that fundholders self-manage their selection of charities, and DAF foundations do not typically recommend specific charities, unless requested by the fundholder. In these cases, more than one charity is brought to the attention of the DAF donor.

Some DAF foundations offer basic due diligence on charities but rarely beyond basic desk research and confirmation of a charity's charitable status. The broad exception to this is community foundations whose value proposition is often rooted in data and in their community expertise. That said, there is some evidence that DAF sponsors are moving to provide a wider range of philanthropic advisory services to high-value clients.

DAF foundations also noted they may refer fundholders to outside advisors in philanthropy for more comprehensive advisory work.

[27] Foundations have a responsibility to their clients to ensure that granting policies and any restrictions around granting are clearly communicated to their clients. The ability of DAF foundations to reject recommendations of DAF advisors is underlined by the current controversy surrounding granting decisions taken by three major US DAF foundations (all associated with major financial institutions). In this case, the three DAF foundations have refused to make philanthropic gifts requested by donors to the Southern Poverty Law Center (SPLC), a US charity recently indicted for 11 fraud crimes by the US government. These crimes have not been proven and appear to be politically motivated. However, the DAF foundations have advised donors that, consistent with their fiduciary responsibilities, the granting guidelines of the foundation do not allow them to permit grants to be made to organizations that are "being investigated for alleged illegal activities" or have been "charged with a crime." It is noteworthy that a number of leading community foundations that are hosts to DAFs have publicly stated that they will continue to process grant requests directed to the SPLC.

Funding of Charities Through DAFs: Survey Data and Opinions

Although relationships between donors and charities can start through volunteering, such as joining a board or helping with an event, the majority of relationships start through a donation of either cash or non-cash items. Over the past decade, the number and value of gifts from DAFs to operating charities has steadily increased, as has the number of individual charities that have benefited from donors who gave through a DAF, although, there are material differences in the survey data based on charity size[27]. While exact data is difficult to determine, the number of DAF-originated gifts in 2024 is estimated to be 100,000.

The recent track record of DAFs is impressive, and the burgeoning DAF community sees DAFs as a "game changer" in the sector. This belief, however, is not supported by publicly available data and the survey data in this report, or by the interviews conducted with charity executives.

Number of DAF Gifts Received by Respondent Charities

The initial question in the CICP survey was about the number of DAF gifts or grants received by the respondent charities. Forty-five percent of charities were either unsure or did not receive any DAF funding in the March 2025 to March 2026 period. If this data is reflective of the experience of approximately 73,700 operating charities, it suggests that about 30,000 received at least one DAF gift in the period.

That number is slightly higher than a previously published estimate of 20,000-25,000. Whatever the number, many charities are experiencing both the impact of, and changes brought about by, the adoption of DAFs by a widening range of Canadian donors.

In terms of the number of gifts, the flow was heavily biased in favour of the largest charities, with 41% of gifts being directed to charities categorized as Extra Large and a further 36% to those in the Large category[29]. Fifteen of the charities in these two groups reported receiving more than 50 DAF gifts in that 2025-2026 period[30].

[28] Charities in CICP's panel range from Extra Small to Extra Large. "Extra Small" charities spend $1 to $11,661 on charitable activities annually. "Small" charities spend $11,662 to $61,529, and "Medium," $61,530 and $229,133. "Large" charities spend $229,134 to $791,142, and "Extra Large," $791,422 or more. For further information, see https://carleton.ca/cicp-pcpob/2024/does-size-or-age-matter-describing-charity-demographics/

[29] One leading DAF foundation reported that in 2024, the three largest beneficiaries of gifts were Canadian Red Cross, Doctors Without Borders and the Canadian Cancer Society.

[30] 60% of these charities were located in Ontario, compared to an overall share of 39% for all charities in the survey panel.

Frequency

The survey data also indicated that, while the overall breadth of DAF coverage was wider than most people believed, the funding impact of DAFs was less impressive. Adjusting for the "not sure" responses, of the 50% of the charitable organizations that did receive a DAF gift, half reported receiving no more than ten over the 12-month period. This modest gifting rate was reflected in discussions held with charity executives; many mentioned a range of 10-20 DAF gifts each year. In a number of instances, gifts were $500-$10,000, which is in line with data in other studies. DAF gifts tend to be above average when compared to conventional direct gifts, but lower than the threshold for major gifts. As one DAF foundation executive explained,

> **"I think our average gift is $10,000, but, you know, we give out a million dollars, we give out a hundred bucks. We give out gifts, depending on what that donor wants to do."**

In one case, a cultural sector foundation indicated that approximately three-quarters of the DAF gifts received came from a local community foundation with whom the charity had established a close relationship. Another foundation, this one associated with a major medical facility in Toronto, mentioned dealing with up to 25 active DAF providers.

While many charities reported an uptick in the number of DAF gifts received over the past few years, others indicated that the number had remained stable at a relatively low level. Also, low frequency rates tend to push the development of DAF policies and solicitation strategies to the "back burner."

Revenue Impact of DAF Gifts

The survey also looked at the impact of DAF gifts on recipient charities. Not including charities that reported no impact or were unsure, 70% of respondents indicated that DAF-based funding was of "small" or "moderate" importance, with the balance identifying such funding as being either "significant" or "critical" to the charity. Of the latter group, 70% were categorized as either Large or Extra Large charitable organizations. In addition, using median dollar values as a guide, 59% of the value of DAF gifts went to charities categorized as Extra Large and a further 30% was received by Large charities.

At the other end of the size scale, 51% of Extra Small and Small charities indicated that DAF gifts had no impact on their revenue. This data is supported by evidence from other jurisdictions and studies showing that DAFs, either intentionally or unintentionally, favour large charities, and that small and medium-sized charities are either being overlooked by DAF donors, or their funding needs are unknown.

These findings are contradicted by the views of DAF foundation executives who claim that their donors are keen to support charities of all sizes. However, as shown in the previous paragraph, this view is not supported by the data.

Types of Gifts to Charities and DAF Disbursements

A number of charity executives commented that many DAF gifts, particularly large gifts, are "restricted" in terms of their application. A "restricted" gift refers to a donation in which the donor requires specific conditions on how the funds will be used. Unrestricted gifts from DAFs don't have such conditions and tend to be small and/or given in support of year-end appeals.

Some charities also mentioned receiving "random" donations. The problem with such donations is that the donor's motivation or intent was unknown, the donor was unknown to the charity, or instructions were unclear on how to use the funds. In such cases, appealing for further information from the DAF foundations has been challenging.

The issue of establishing a required rate of annual giving from individual DAFs was also a topic of interest – and a concern raised by charity executives. While DAF disbursement rates and levels do not directly impact DAF relationships with specific charities, they do relate to the broader relationship that DAF foundations have with the charitable sector– a sector with an ongoing need for capital.

A number of Canadian DAF foundations require a minimum annual distribution from each DAF, other than DAFs established in the current year. In one case, the obligation is stated as:

> **"Every Giving Fund must meet the minimum annual gift requirement of 5% of the balance as of January 1 of a given year. This must be gifted within the calendar year."**

In another example: a prominent DAF foundation uses a DQ formula for individual DAFs as is applied to the foundation as a whole[31]:

> **"As an organization, we have chosen to apply the Disbursement Quota at the individual fund level, even though the CRA applies it to the foundation as a whole. Commencing the year following the initial donation, a minimum of 5% must be disbursed from each fund each year."**

This foundation determines the DQ for each fund and advises the fund advisor of their obligation and the fund's progress in meeting their individual DQ. This example counteracts the argument put forward by some DAF foundation executives that determining and monitoring an individual fund DQ would be cumbersome, time consuming and costly.

A number of DAF foundations have an element of flexibility built into their agreements with donors, and do not strictly enforce a 5% rule. As one DAF executive mentioned:

> **"We keep track of it very closely and point it out to them. We act as if they have to do it. However, if there's pushback or reasons why they can't, we don't force it."**

One participating DAF foundation admitted they do not monitor giving to ensure a specific DQ for individual funds. Another indicated that they do not impose a strict DQ obligation on individual DAFs, as they know that the foundation, overall, will meet the DQ requirement as the result of other granting activity.

[31] The Distribution Rate of a DAF foundation or an individual DAF should not be confused with the Disbursement Quota (DQ). The DQ is a formula-driven obligation imposed on charities by the CRA. This obligation is not imposed on individual DAFs, although at least one DAF foundation calculates it for each DAF and advises each DAF donor of their future obligation in terms of giving. The Disbursement Rate is a backward-looking metric that calculates the annual rate at which individual DAFs or DAF foundations spent down their fund assets over a given period. There are at least five ways to make this calculation, but the one most commonly used by academics and other commentators and used in this report is Grants Made in the Year divided by Year End Assets plus Grants Made in the Year.

There is no easy way to estimate the incremental flows into operating charities of implementing a mandatory Distribution Rate of, say, 5%. However, given the current Distribution Rate of the sector and the fact that inactive DAFs tend to be modest in size, it is doubtful that imposing a rigid payout requirement would be material in terms of incremental flow[32].

In response to questions about minimum gift size (as opposed to frequency and minimum total giving), a relatively wide range was identified; most foundations establish minimum gift sizes in a range of $250-$500, although a small number have no minimum. Also, none of the foundations interviewed charge a separate fee per gift processed.

Section Summary

In the charitable sector, DAFs have detractors and supporters. Charities that receive support from DAFs and have an understanding of their growing influence tend to be supportive, while others see them as a barrier to traditional professional fundraising practices. Although some DAF foundations acknowledge shortcomings, often due to rapid and unexpected growth, others see DAFs as transformational.

The low level of knowledge of DAFs at many charities can lead to misunderstandings on major issues, such as the nature of advice given to donors and the growth of a pool of unproductive capital. Survey data points to a significant number of charities receiving at least one DAF gift in a twelve-month period. However, the aggregate financial impact is seen as modest by charities, despite recognition that DAF gifts tend to be of higher value than direct donations.

Some charity leaders, aware of the current funding challenges experienced by many charities, believe that individual DAFs should be required to meet a minimum disbursement obligation each year and act more as a conduit for funding and better donor relationships.

[32] For further information on the impact of the last DQ adjustment please refer to the April 2026 research bulletin published by Imagine Canada.

4.2 Four Relationship Challenges Between DAFs and Charities

The study identified four central challenges that represent the main sources of concern in the relationships between operating charities and DAF foundations. Finding common ground in these areas would significantly enhance how the two communities work together and grow philanthropy.

Issue 1: Lack of knowledge about DAFs

Despite almost one hundred years of experience – the first DAF was established in 1932 in New York – and a growing body of academic, journalistic, and sectoral literature, DAFs are misunderstood philanthropic vehicles.

Gaps Between Sectors and Individuals

This research project indicates that a knowledge gap is harming the efforts of all participants. The gap is not only between professionals in foundations and staff at charities, but also between individuals within these sectors, and with professionals, such as financial advisors, who interact with both sectors. The misinformation and disinformation that exists has created an environment that ignores the intent of a DAF but, rather, centres on criticisms that stand in the way of the development of an ecosystem that respects the value of the contribution of each of the stakeholders.

Part of the problem may reflect the very rapid growth of DAFs over the past two decades, growth driven by changes to tax regulations, the enormous generation and transfer of wealth, the involvement of a diverse group of DAF foundations and advisors, and the inability of regulators and some sector leaders to keep pace with developments. Another contributor has been the challenge faced by six million or so full-time and part-time employees at charities to maintain a level of knowledge that allows for the development of appropriate policies, strategies, and tactics that encourage the flow of funds from donors to charities.

Keeping DAFs in Perspective

Solutions have not been eased by a distorted view of the importance of DAFs. One charity participating in the project indicated:

> **"DAF sponsoring organizations over-justify their existence. They are 'middlemen' geared towards donors."**

DAFs represent a fast-growing part of the funding cycle for charitable organizations. However, charities report that the number and dollar value of DAF gifts remains modest, relative to their overall revenue. According to CICP survey data, 36% of charities have never received a DAF gift, and of the 60% of charities that have, the total revenue benefit was under $25,000 for each charity.

Limited Knowledge of DAFs

The primary research undertaken for this study – both qualitative and quantitative – has demonstrated a range of understanding and misunderstanding about DAFs. In response to a question in the CICP survey on the level of knowledge about DAFs, a mere 8% of respondents (from a pool of 884 charities) indicated that they were "very knowledgeable," and another 74% admitted to "limited" or "no knowledge."

The assessment was further supported by responses to a question about the biggest DAF challenges; only 8% indicated no challenges, while 35% cited limited internal understanding of DAFs.

Written responses to the question about challenges to charitable organizations represented by DAFs included **"I have no idea what those are"** to **"First time I've ever heard the term 'DAF' and I've been in fundraising for over 30 years"** to **"Don't know enough about how they work."**

These comments, and many like them, indicate a limited understanding of how DAFs work in the sector. Given that 82% of responding charities either did not receive gifts from DAFs or received only a few (less than 10), the nature of the responses in regard to knowledge levels is not surprising.

Segment Analysis

Analysis of the detailed data set generated by the CICP survey pointed to the fact that various groups were more knowledgeable than others. For example, charities claiming to be “very knowledgeable” about DAFs were concentrated in organizations dealing with the relief of poverty and healthcare, while charities dealing with the environment and animal welfare, for example, did not claim to have a high level of knowledge.

Faith-based charities also have a very low level of DAF knowledge, which may be the reason that two-thirds receive no DAF funding. The relatively high level of “not sure” responses from the faith-based charities also suggests a lack of knowledge/interest in DAFs, despite a number of active faith-based DAF foundations, such as Christian Stewardship and the Canadian National Christian Foundation.

Comparison Between Faith-based Charities and the Charitable Sector[33]

	Very Knowledgeable	Moderately Knowledgeable	Slightly Knowledgeable	Not At All Knowledgeable	Not Sure
Overall Panel	8%	18%	28%	36%	10%
Faith-based	5%	13%	19%	52%	11%

Size seems to matter when it comes to knowledge about DAFs. Not surprisingly, the level of knowledge about DAFs at Extra Large charities is slightly higher than that of the sector overall. Even so, less than one-third of Extra Large charities indicated a level of knowledge above “slightly knowledgeable.”

Having an advanced level of knowledge about DAFs seems to be correlated to the frequency of receiving gifts from DAFs. The table below indicates that 29% charities with a high level of knowledge received at least 11 DAF gifts over a 12-month period, compared to only 9% for surveyed charities as a whole.

Frequency of Receiving DAF Gifts and Level of Knowledge

	No Gifts	1-10	11-50	50-100	<100	Not Sure
Overall Panel	36%	46%	7%	1%	1%	9%
Very Knowledgeable	5%	61%	18%	4%	7%	5%

Also, charities with a high level of DAF knowledge are most likely to have DAF policies in place. Only 12% of surveyed charities reported having DAF policies in place. The picture changes significantly when those charities claiming to be “very knowledgeable” are isolated: 50% of this sub-segment have DAF policies already in place, with another 19% in the process of developing policies.

[33] For this table the faith-based community is made up of those charities that identify with a specific religion, such as Christianity, and those that describe their purpose as being “supportive of religion”.

View from the Other Side

DAF foundation executives were asked their opinion on the DAF knowledge level at charities. The overall view was that there is an insufficient level of knowledge about DAFs in the charitable sector, despite DAF foundations reporting a noticeable improvement in the last couple of years and the development and availability of sector information publications. The survey data supports this conclusion.

As with charity executives, who report moderate to reasonable levels of understanding about DAFs, members of charity boards of directors were, in turn, perceived by executives to have the least amount of knowledge and understanding about DAFs, a situation that has implications for the sector as the influence of DAFs increases. One children's charity confirmed this view by explaining:

> **"Board members are just parents and have minimal understanding of the importance of DAFs."**

As indicated by the CICP survey data, there is a perception among DAF foundation executives that large charities have developed a higher level of understanding than their smaller peers.

> **"Amongst the smaller organizations, I think that there's still a long way to go in terms of both awareness, understanding, and acceptance,"** said a DAF foundation executive.

Varied DAF Foundation Models and Practices Limits Understanding

The limited understanding of DAFs is compounded by the fact that individual DAF foundations vary in model, purpose, identity and practice and that, until very recently, there has been no broadly distributed guidebook for charities and no set of sector standards for foundations[34].

> **"DAF foundations vary significantly. Some are great and good partners, while others are dreadful,"**admitted a charity leader.

Even executives within the DAF sector mentioned that the different operating models and distinct policies can lead to confusion.

> **"Our procedures aren't all the same... I think DAF people are confused about knowing how each other works,"** explained a DAF foundation executive.

Ways DAF Foundation Models Vary

- Process and timelines for transactions
- Approach to disclosure of donor information
- Management of donor communications
- Disbursement requirements at the fund level
- Engagement level with charities
- Internal infrastructure i.e. expertise of staff, technological platforms, reporting

[34] https://www.cagp-acpdp.org/en/empowering-philanthropy-an-overview-of-donor-advised-funds

Educational Efforts

While many charities do not identify DAF education to be a top priority, charities are increasing their DAF knowledge in a variety of ways, including:

- Discussions with DAF foundations
- Speaking with DAF donors
- Online research
- Sector reports on DAFs
- Workshops and conferences

DAF foundations play a role and provide education to charities through:

- Introductory materials they share with grantees to explain DAFs
- Guidance on how to engage effectively with them (the DAF foundations)
- Presentations at conferences and seminars
- Speaking with charity boards and senior staff.

However, one leading foundation mentioned that educational efforts were not achieving the results that had been expected:

> **"Well, we did, and then we stopped doing it, because it didn't seem to be helping."**

Some operating charities are sensitive to the **"fine line between promoting philanthropy and corporate marketing"** at public or sector events, a concern that should encourage DAF foundations to consider their approach and limit promotional activities.

While many DAF foundations report they are happy to engage directly with charities, they acknowledge they do not have the resources to speak with everyone all the time.

> **"We've had a noticeable increase in charities reaching out to us to ask questions and build relationships,"** mentioned one DAF foundation executive.

In fact, a number of DAF foundations acknowledged there can be distance between their aspirations and operational realities, considering their varied stakeholders and resource constraints.

> **"We struggle with what donors want, what charities need, and what we can manage,"** said a DAF foundation executive.

Confusion, misunderstanding, and a lack of resources at some DAF foundations might be impeding collaboration and adoption of informed approaches by charities.

Also, charities and other sector experts believe it is incumbent on DAF foundations to work from a place of knowledge about the charitable sector, ensuring that employees, particularly new employees and junior staff, have the requisite knowledge, noting:

> **"Education is a two-way street. Charities need to better understand DAFs, and DAF foundations (including advisors and financial institutions) need to better understand charities and the nonprofit sector,"** said a charity leader.

Issue 2: Disclosure and Transparency

Disclosure Options

At the time a DAF is established, and on each occasion when a gift from a fund is recommended, a DAF advisor is provided with four options in terms of communication between the foundation and the receiving charity:

- Share the name of the fund from which the grant is being made, as well as the name of the donor, the email address of the donor, and other contact information.
- Share the name of the fund and the identity of the donor but provide no contact information.
- Share the name of the fund only, which may or may not identify the donor
- Do not disclose any information about the donor.

While some DAF foundations reported not having a default for disclosure, many DAF foundations indicated a default to partial disclosure[35]. Also, many claimed to have conversations with donors about disclosure options and the implications for charities. As one DAF executive indicated: "We do our best to provide the information that donors want to give in all cases." One DAF foundation executive explained that approximately 40% of gifts are made with almost full disclosure some contact information, and the fund name is used to identify the source of the gift in 55% of cases (e.g., the John Smith Fund)[36].

In turn, charities reported that they most commonly receive the name of the fund, often with the fundholders name embedded within it, but rarely receive donor contact information. For practical purposes, this type of naming is viewed anonymous, because the charity is unable to contact the donor, a situation that disrupts their ability to thank and steward the donor directly.

A number of charity representatives mentioned that limited disclosure requires the charity to allocate resources to investigate the full identity of the donor (using the internet, social media, and "wealth screening tools") in order to find a way to communicate with them directly.

Of note, a major community foundation recognized the frustration felt by charities when limited donor information is provided and, at the same time, acknowledged that the foundation is bound by the terms of the agreement they entered into with the DAF donor. In contrast, one charity executive made the point that community foundations, in particular, are easier to deal with than other types of foundations, because community foundations were more likely to be allowed to disclose sufficient information to enable the charity to contact the DAF donor.

[35] Note, a few charities reported they had former direct donors who established DAFs and subsequently gave gifts to the charity with only partial disclosure, which placed the charities in the awkward position of having to clarify donors' wishes about contact.

[36] DAF foundations are obliged under federal privacy legislation (and the Personal Information Protection and Electronic Documents Act, or PIPEDA) to meet the expressed disclosure requests of donors.

DAF Foundations and Issues of Anonymity

The privacy afforded to DAF donors by most DAF foundations extends from their visibility to charities, to the balance of their fund assets - desirable features for some fundholders. DAF foundation executives (while acknowledging that DAF foundations are, themselves, not faced with the issue of receiving anonymous donations), suggested that no more than 3% or 5% of grants are made anonymously. In those cases, no information about the donor or the granting fund would be made known to the receiving charity.

One DAF foundation made the point that there is no discernable trend towards anonymous gifts, while another indicated that they discourage anonymity as it **"goes against building community connections."** Many DAF foundations are sensitive to the needs of charities: **"We want fundholders to have meaningful relationships with their charity partners, when and where they want that. But not all donors do want this, every time,"** said a DAF foundation executive.

Attitudes of Charities Regarding Transparency

The CICP survey data indicated that lack of transparency is not an issue, as only 8% of all responding charities identified it as a challenge, significantly less than issues such as "stewardship and communications with DAF donors." Adjusting the data to focus only on charities that receive DAF gifts moves that percentage to 12%, with three-quarters of those being Large or Extra-Large.

Despite the small number of anonymous gifts made by DAFs (estimated to be no more than 5,000 gifts in 2024), and the relatively low rank of lack of transparency as a challenge, there were a number of comments about disclosure made by charity executives during interviews.

Some charity executives, while respecting the donor's right to privacy, believe that it is reasonable for charities to know the original source of the funds they receive to ensure that the values of the donor and the sources of wealth and income align with the mission, objectives and policies of the organization.

In keeping with findings made in other research reports, charities pointed out that they may not wish to be associated with certain donor groups or individuals, and they need to be in a position to reject donations from unsuitable donors. It was also mentioned that the board of a charity has a fiduciary duty to protect the integrity and reputation of the charity, and not being aware of the identity of a major donor may compromise the board's ability to discharge this responsibility.

In the case of DAF foundations housed within financial institutions, the vast majority of fundholders have been referred by full-service brokers or investment counsellors who are heavily regulated and required to adhere to Know Your Client (KYC) and Anti Money Laundering (AML) standards. What those DAF foundations do not screen fundholders for are values, reputation and ideological leanings. As one DAF foundation executive pointed out: **"We do not police on behalf of the charitable organization who is making grants to them."**

Confidentiality and Customization

Some executives and sector participants suggested adopting a confidentiality approach, rather than full anonymity, an approach that would give charities some control in this regard. Confidentiality is when the donor's name (at least) is shared with the charity for due diligence purposes, and where the charity commits to not sharing the name or identity of the donor outside the organization.

The Rationale for Limited Disclosure

DAF foundation executives, on the other hand, pointed out that donor reluctance to provide full disclosure is based on personal concerns and experience with charities. These include:

- Charities may not be trusted to treat the donation as confidential and will publish their name in a list of donors and/or may share their contact information with third parties without specific consent.
- A charity may solicit donors for additional donations and/or donations that do not reflect the donor's financial circumstances.
- Donors may seek to avoid raising expectations that they will make further and similar sized gifts in the future.
- Donors may wish to be private about the extent of their wealth and income to avoid unwarranted public scrutiny and make them targets for criminal activity.
- Donors may not wish the amount or destination of their gift to be known to family, friends and colleagues who may not share their charitable focus.
- Some religions encourage anonymous giving as being more spiritually rewarding.

Despite the efforts of some DAF foundations to encourage full disclosure, some donors, and the foundations they work with, hold firm opinions that may be difficult to change.

> **"Many of our people set up funds to be efficient, anonymous, or to avoid being 'hounded' by organizations,"** explained a DAF foundation executive. **"We are not gatekeepers, [we are] just fulfilling our obligations to our donors."**

The challenge for DAF foundations that provide limited information is that some charities may lose interest in working with their donors and/or may develop policies that limit gifts to those that provide an acceptable level of disclosure.

> **"DAFs need to respect donor privacy, but when their policies impede the ability of the charity to celebrate donors, it feels like an unnecessary step to work with a DAF at all."** - CHARITY LEADER

Other Issues

One DAF foundation leader hinted that a number of DAF foundations seem to pay more attention to generating new DAFs than refining granting and disclosure practices, and that the sector might benefit from CRA guidance or a set of sector standards to be adopted by all foundations. While recognizing the challenge of the universal adoption of service standards not imposed through regulation, this latter point was also mentioned in interviews with charity representatives.

An issue often mentioned in DAF literature was also raised specifically by a charity executive. This issue links the public subsidization of charitable donations (through tax credits and forgiveness of capital gains tax) with a view that donors and foundations that administer DAFs should be required to be fully transparent in regard to granting information to enable the public to monitor the societal impact of these fiduciary policies[37].

Finally, a number of charity executives commented that the growth of DAF users, particularly those who have major gift potential, is fundamentally changing the manner in which donor relationships are established and managed. Some important relationships are now managed through a DAF foundation (as opposed to by a DAF foundation), with the ultimate relationship being between a financial or philanthropic advisor and the donor.

As referenced in earlier sections, although these changes may suit the needs of the donor, as well as the interests of the advisor, it severely lessens the abilities of charities to build sustainable links with donors that have the resources and potential interest to provide multi-year and/or significant funding. This situation complicates revenue planning at the charity and will likely force changes to the traditional fundraising model.

[37] Based on the sample of DAF foundations, tax credits for donations to DAFs were estimated at $510 million in 2024. However, using aggregated T3010 data, the estimated tax credit for the reported $3.3 billion in DAF donations in 2024 would be worth almost $1 billion in foregone tax revenue.

Issue 3: Donor engagement and communications

Related to the issue of disclosure of donor information, CICP respondents rated their two biggest challenges as: identification and cultivation of new DAF donors (56%); and communication with and stewardship of past DAF donors (29%).

Challenges in Identifying and Cultivating DAF Donors

The ability to identify and cultivate prospective DAF donors was the biggest challenge for more than half of CICP respondents. Notwithstanding the fact that identification of prospective donors of any kind is difficult for most charities, and unlike donors who give through private foundations, which are publicly searchable, DAF donors as a cohort are not easily discovered.

Some DAF foundations step into this gap on a limited or case-by-case basis or take an approach to public disclosure that allows for productive prospect research. It was comforting to be told by a charity leader:

> **"We're working with a great DAF foundation. They are proactive in creating relationships to help the community, not just funnel funds."**

However, as suggested throughout the report, the inability to identify DAF donors remains a tension for most charities.

Most surveyed charities reported they were in the process of determining whether and how to incorporate references to DAFs in their communications and solicitation materials. A small number who are not supportive of DAFs indicated they are not planning to reference DAFs in donor communications, as they do not want to promote a **"financial vehicle,"** believing it is not their **"role to market for financial institutions."** This may appear short-sighted, given other widely used giving tools associated with the financial service sector, such as credit cards, estate plans, and life insurance are widely used and encouraged across the charitable sector.

Donor Recognition

Recognition is important to many donors. Most common among community foundations, some DAF foundations require the foundation's name to be included in any donor recognition for the fundholder (given the foundation is the legal donor), while other DAF foundations indicate any desired recognition should only be in the name of the DAF donor or fund.

A number of charities noted that the inclusion of the DAF foundation name, alongside the name of the DAF donor or fund name, often results in very long and cumbersome inclusions, and centres the DAF foundation above the driver of the generosity, the fundholder.

Stewardship of DAF Donors

As noted more than once in the report, charities mentioned that the use of DAFs can interrupt traditional, donor-stewardship practices, making it challenging for charities to develop relationships with their supporters. They also mentioned that DAFs hinder a charity from developing a deeper sense of a donor's motivations/goals and developing a long-term relationship and continued support.

> **"We would love more opportunities to steward these donors directly," - CHARITY LEADER**

One charity spoke about making their initial "thank you" to the DAF donor more robust than usual when being managed through the DAF foundation, knowing this might be their one chance to establish a solid foundation for a potential future relationship.

While most charities steward DAF gifts and donors based on gift level, a few charities take a different approach. Realizing that donors who establish a DAF are committed to their giving and statistically have more charitable assets to give, these charities stream all DAF donors (regardless of gift level) into their major giving portfolio for stewardship, providing a framework for deeper relationship-building where possible.

Charities are also worried about the impact of DAFs on planned giving programs if they have little opportunity to nurture long-term relationships that lead to a planned gift commitment. This concern is compounded by the fact charity endowments are often funded through bequests; some estate gifts that might have otherwise been paid out to them directly are now staying within the DAF and being managed by successor advisors (often the inheritors/executors of the DAF donor's estate). But, as suggested by a DAF foundation executive:

> **"Charities need to refine and adapt fundraising practices to account for DAFs…they are not going away."**

Not all DAF donors desire a direct relationship with the charities they support, but charities are frustrated by both intentional and unintentional gatekeeping and believe DAF foundations should do more to facilitate donor/charity relationships.

Charity Communications with DAF Donors

Charities communicate with their DAF donors as much as they can, in whatever ways they can. Where charities do not have direct contact with DAF donors, the DAF foundation serves as the communications intermediary, but they vary in their commitment and practices.

> **"It's difficult having a third-party in-between us and the donor."**
> – CHARITY LEADER

A small number of DAF foundations use online portals to streamline their ability to share communications with fundholders, and they allow charities to upload their own materials for fundholders. However, most DAF foundations do not have online portals. DAF foundations indicate becoming overwhelmed by the quantity and frequency of materials received from charities in digital and hard copy.

DAF foundations range in how explicit they are with charities regarding communications. Some foundations direct to fundholders only personalized, gift-related correspondence, like letters of appreciation and specific impact reports, but discard other correspondence without advising the charity. Other DAF foundations re-direct everything they are sent, including e-newsletters.

In turn, charities do not always know whether the communications they share with DAF foundations are discarded or shared with their DAF donors. When there is uncertainty, charities default to sending everything to the DAF foundation.

Issue 4: Gift administration

Administrative friction is a challenge for charities. CICP survey data indicates that charities without DAF policies and procedures feel this burden most acutely. The repeated mention of this issue in leadership interviews suggests it is a broad concern.

On the other side, DAF foundations feel that charities forget that the foundations, too, have fiduciary, regulatory, and compliance requirements, including around donor privacy and financial transactions. These considerations are reflected in their approaches to process and administration. Most DAF foundations indicated they are open to working with charities, and some have revised and adopted new approaches as a result of charity feedback.

Gift Notification and Banking

Few charities indicated they had satisfactorily fine-tuned their approach to receiving and administering DAF gifts. Among these are charities with modern donor-information management systems, giving them the capacity to track a gift received from DAF foundations by a fundholder with a combination of hard and soft credits. Other charities flagged concerns about how DAF foundations notified them about gifts and the quality of related communications.

One example was offered about a sparse notification email requesting banking information. The email came from an intern at an unfamiliar DAF foundation, which led the charity executive to search the foundation's website. No contact details were listed, leading the executive to check the intern's profile on LinkedIn to confirm they were in fact connected to the foundation. They were understandably anxious about providing banking details by unsecured email, given the security and phishing risks, but felt obliged to accept the gift. Compounded by the low awareness of DAFs among charities, it is evident that DAF foundations need to be attentive to these concerns through changes to policies, procedures and employee training.

If using electronic fund transfer mechanisms, DAF foundations require banking information to transact the gift, but note some charities are slow to provide it. The provision of banking information will become an even greater issue as the use of cheques declines and more charities receive DAF gifts.

Most DAF foundations reported they provide comprehensive notification letters, including information about the gift, its purpose, and any donor information they are able to share. Some also include information about the DAF foundation itself to provide assurances to the charity of the legitimacy of the gifts. Not all DAF foundations follow this practice.

Staff turnover within charities was flagged by DAF foundations as contributing to administrative and communication challenges. Emails bounce back or are not responded to, and many charities do not provide names or contact information on their website. One charity shared they had set up a dedicated (and monitored) email address for the notification of DAF gifts as a way to streamline this process.

Communication Gaps Between Fundraising and Finance

DAF foundations flagged a gap inside charities: poor or no communication between fundraising and finance staff, so that notification and transaction details from DAF foundations are lost. This results in charity staff (fundraisers, mostly) asking the foundation for information already been sent to the organization. The foundations do not appreciate the increased administration time and frustration on both sides.

Charities report that most DAF gifts are not expected in advance, which can complicate reconciliation between fundraising and finance. On top of that, because of process gaps between fundraising and finance, gifts that are given to satisfy pledge payments are sometimes misallocated.

Disbursement Cycles

DAF foundations make grants on varied disbursement schedules – weekly, biweekly, monthly, quarterly, and even annually. Furthermore, some DAF foundations only hold assets in pooled funds with prescribed redemption windows, which may result in delayed transfers to charities.

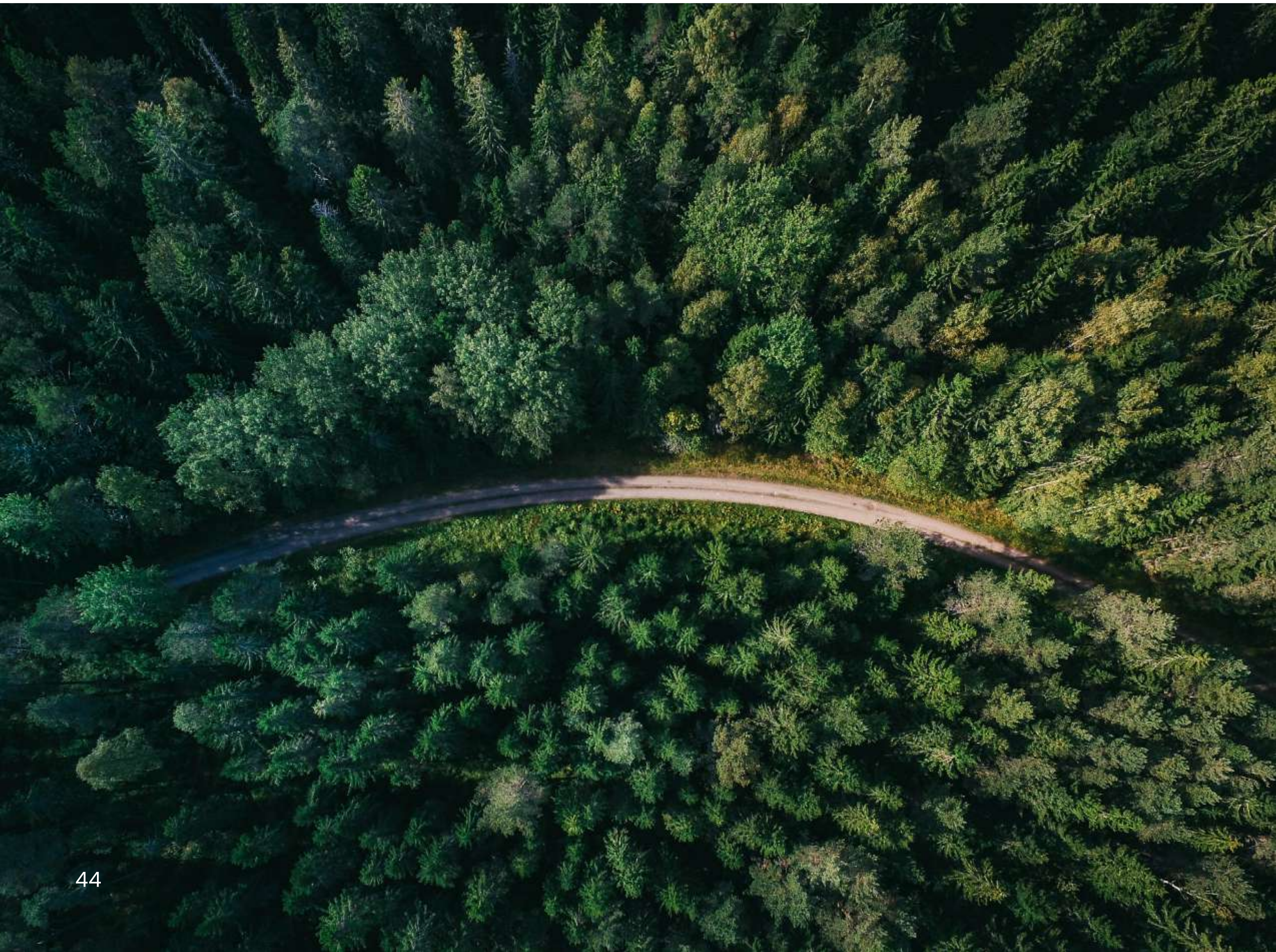
Charities report frustration related to uncertainty around timing, particularly in receiving DAF gifts to meet matching-gift windows. While DAF foundations may be able to accommodate one-off requests, they would prefer charities to be more flexible regarding when funds will land.

Pledges and Agreements

DAF foundations have difficulty fulfilling fundholder commitments to charity-event pledges, memorial gifts and other giving that is typically done online. Some have developed workaround solutions, such as using a foundation credit card and later charging it back to the fund, but this is labour intensive for larger DAF foundations that operate at scale.

A donor pledge outlined in a gift agreement with a charity is handled differently across DAF foundations. Some do not get involved in gift agreements, believing that is a commitment between the DAF donor and the charity. Other DAF foundations require all gift agreements be signed by the three parties – DAF foundation, DAF donor, and the charity – on the basis that if the donor's charitable assets are held in the DAF foundation, it is the DAF foundation that is the legal donor and required to fulfill the terms of the agreement (which may be enforceable) upon the recommendation of the fundholder.

Irrespective of the legal considerations, this has proven to be controversial among some larger charities that resent what is perceived as an intrusion into the donor relationship. In some cases, charities have defaulted to the use of donor intention letters (as opposed to agreements), to satisfy DAF foundations.



5.0 Encouraging Initiatives

This report has brought up issues that have impeded the development of productive relationships between DAF foundations and charities. There are examples of charities and DAF foundations addressing these issues and taking steps, sometimes bold steps, to close the gaps. These organizations are putting practices in place that build knowledge, share information and enhance the flow of donor capital to where and when it is most needed. Here are a few.

5.1 Examples from Charities

Charities that publicly profile DAFs as an attractive source of philanthropic funding (not a financial product or a payment mechanism) are far more likely to be rewarded with either one-off or regular donations from DAFs. A number of Canadian charities have recognized this and now include educational and DAF-donation guidance in promotional material, on their websites, in publications, such as annual giving reports and annual financial reports and, importantly, in the one-on-one conversations with current and prospective donors. Usually, the educational material or information on DAFs has been drawn from reports – such as the CAGP's Empowering Philanthropy – and articles in academic and other publications.

Here are six examples of how charities recognize DAFs and include guidance about them:

1

A large, multi-national, children-focused charity provides an enthusiastic description of how DAFs work, although the descriptions below lack accuracy[38] and some information is exaggerated: **"Think of it as a tax-advantageous bank account for your charitable giving,"** and **"Canadians contribute an estimated $3 billion each year to donor-advised funds."**

2

A faith-based charity's website, in the Ways to Give section, provides information and guidance on DAFs, including encouragement for donors and prospective donors to deal with financial professionals. The tone and style of the information is appropriate for the charity, despite the description of a DAF needing modification: **"In the spirit of heartfelt generosity, many donors, prospective donors, and supporters find joy in giving through their donor-advised fund (DAF) — a charitable investment account that facilitates easy support for various innovative ministries."**

3

A popular charity that received $18 million in total donations (some from DAFs) in 2024, provides straightforward information and invites donors and prospective donors to engage with their fundraisers: **"If you're curious about how a Donor-Advised Fund could work for you…contact us directly. Our team is here to guide you every step of the way."** This large charity has clearly developed a high level of DAF knowledge among their professional staff.

4

A national faith-based charity provides accurate and objective information on DAFs, although the information is somewhat difficult to find, as it is presented in the Planned Giving section of the website, a location that may limit the number of potential donors that would access the information.

[38] A DAF is an asset of the DAF foundation, not of the donor. A bank account is a liability of the bank and an asset to the depositor.

5 A large, global, wildlife-focused charity reported spending $7.4 million on fundraising in Canada in 2024. It provides virtually no information on DAFs in terms of how they work but seeks to make it simple to contribute through a DAF using a US-based third-party platform. The charity also recognizes the opportunity of receiving a legacy gift from a DAF.

6 A final example is a Canadian charity focused on Indigenous education. The information is accessed through the Ways to Give section and the Other Ways to Give sub-section. The DAF narrative and invitation to contact the Director of Major Gifts is positioned alongside guidance on cryptocurrency donations and the donation of airline loyalty points. That positioning may not reflect the potential impact of DAF funding to charities.

This brief list of six examples from charities illustrates the different approaches that charities take to encourage gifts from DAFs. Some invite direct contact with in-house fundraisers, while others promote the use of financial professionals. In some examples, the language is promotional, while in others the tone is objective, rather than persuasive. Finally, it is apparent that some of the information placed before the public is inaccurate and points to the need for charities to work with experts at DAF foundations.

5.2 Examples from DAF foundations

Just as charities across Canada are recognizing the opportunity that DAFs represent, DAF foundations are realizing that considering the needs of charities much more will enhance the flow of capital from donors through DAF foundations to charities.

1

A recent addition to the DAF foundation community provides a five-star rating service for charities. The DAF foundation indicates: **"In this process, the operations and impact of your charity undergo extensive review to provide feedback on its current functioning and ideas on how to move forward."** The foundation also recognizes the achievements of charities across Canada with a national awards program. These two initiatives provide a positive link between a growing number of charities and the foundation.

2

A fast-growing DAF foundation states on its website that it: **"…helps your charity thrive with seamless giving tools and built-in donor education that grows generosity — while we do the heavy lifting behind the scenes."** It is apparent that the services available to charities are particularly helpful to small organizations that may lack the sophisticated systems and resources available to large charities. As one small charity that generates under $1 million in annual donations said, the DAF foundation **"…handles donations, tax receipts, and direct deposits — all with timely reporting. We're so grateful for this partnership. Highly recommend!"**

3

Community foundations by virtue of their mission and position within the community play a different role than independent foundations and those established by and associated with financial services firms such as banks and investment dealers. Community foundations provide educational services, which include DAF education, to local charities and, on occasion, bring the funding needs of local charities to the attention of DAF donors who they know to be interested in the cause represented by the charity. Community foundations also set a high standard for other DAF foundations in terms of disclosure. Many publish annual giving reports that provide information on DAFs and grantees. One major community foundation in their 2024 Impact Report lists the names of 497 individual DAFs (only 13 of which are identified as anonymous), along with the balance in each fund.

4

Some DAF foundations that are not community foundations also see their mission expanding beyond the DAF donor, as stated in one foundation's mission statement: **"We act as a bridge to other charities and charitable purposes."** The evidence of this mission is the establishment of a working partnership between this DAF foundation and a major healthcare facility[39].

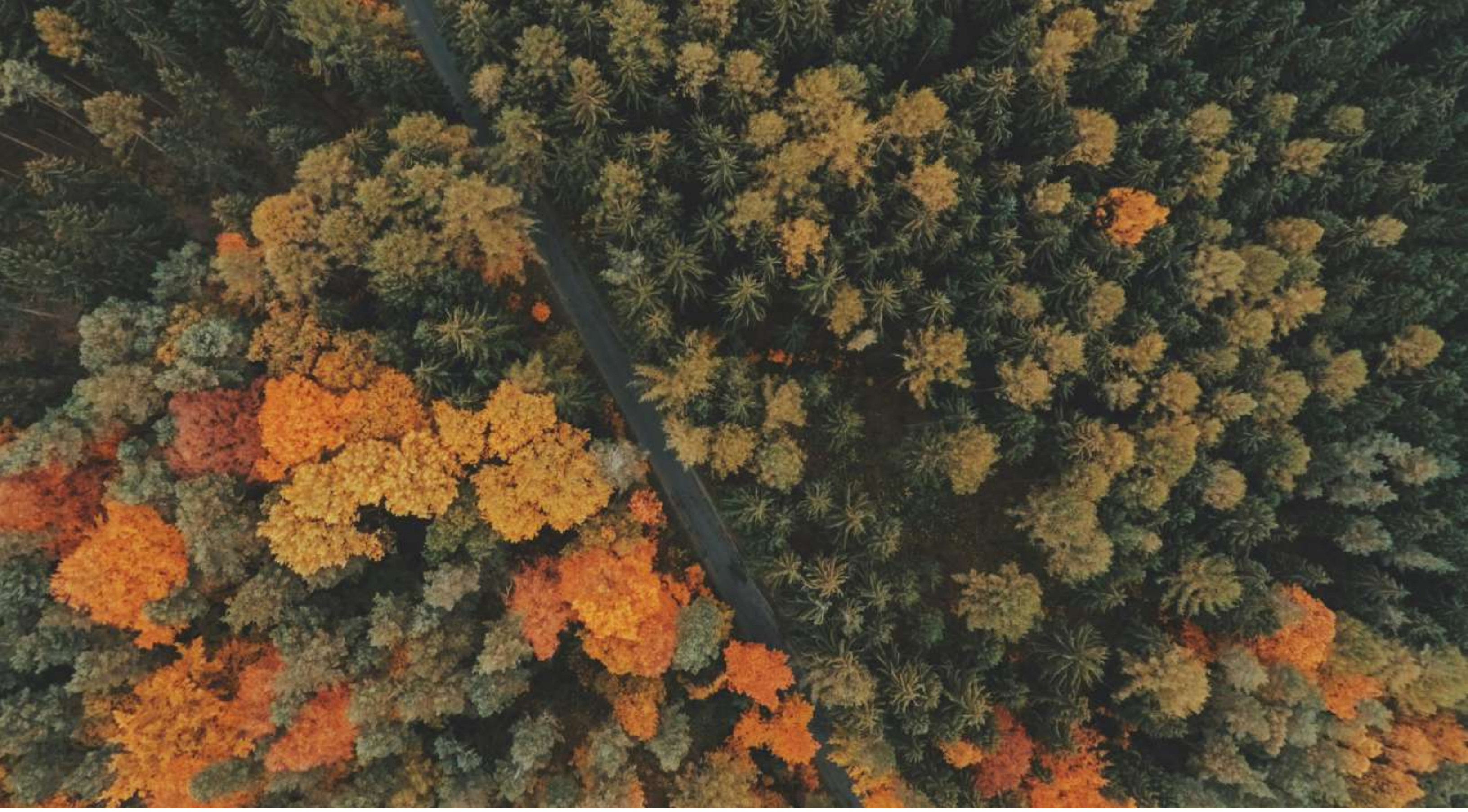
5

A prominent, national, independent DAF foundation is piloting an innovative approach to bringing DAF philanthropists together with funding opportunities from a group of selected charities. The foundation describes it this way: **"An invitational gathering that brings together thoughtful donors, experienced philanthropists and transformative charities."** It explains the process as: **"Six carefully selected charities will each present innovative solutions to pressing challenges in a concise, "Dragon's Den"-style format…Together, the room will determine how funding is allocated…the focus is on education, insight and shared experience."**

Based on these examples, it's clear that many DAF foundations are sensitive to the need to work more cooperatively with charitable organizations. In some ways, the independent and associated foundations are learning from the example set by leading community foundations. The difference is that most of the established and emerging DAF foundations have a national, not regional or local mandate, making it harder to convene fundholders, small charities and rural charities.

Both charities and DAF foundations are aware of the gaps that have led to less-than-perfect levels of cooperation. As evidenced by the examples in this section, there is work in progress, and the examples set by some will likely be followed by many others.

[39] A recently published survey report by CICIP indicated that a number of foundations (of all types) provide services to the charities that are recipients of funding. These services include "Capacity-building support" and "Research, data or learning support."



6.0 Needs, Solutions and a Way Forward

This report identifies several challenges at the heart of the relationship between charities and DAF foundations, where a mutual hesitancy to adapt persists. With spirits of goodwill, both entities share the responsibility of strengthening their relationship. This is done by acknowledging each other's needs, respecting each other's distinct roles within the philanthropic ecosystem, and dialogue. As one CICP respondent explained it:

> **"At the heart of it, strengthening the relationship comes down to communication, trust, and sharing the impact of the work. When charities and DAF foundations see each other as partners in supporting meaningful giving, rather than simply processing grants, it creates stronger connections for donors and better outcomes for the communities we serve."**

To enhance these relationships, a number of potential solutions are presented below to address the needs and issues identified in the study. These are not recommendations. Rather, they are ideas that should be considered and explored. Outside of regulatory mandates, it is recognized that the implementation of changes may be gradual and challenging as not all solutions may be suitable for all parties. Yet even incremental improvements carry significant promise. And, with continued dialogue, it is likely that even more possible solutions may emerge.

6.1 Improve Knowledge Levels about DAFs

Issues and Challenges

- The overall level of knowledge of DAFs at Canadian charities is low, with only 8% of charities claiming to be very knowledgeable about DAFs.
- Many charities are not using educational tools and events to increase knowledge.
- Some DAF foundations see DAFs as a "game changer"; most charities do not.
- Some charities believe DAFs impede distribution of donor capital.
- Community foundations are viewed more positively than other DAF foundations.
- Charities are concerned about the lack of knowledge of staff at DAF foundations.

Possible Solutions

CHARITIES:

- Reach out to major DAF foundations to seek support in raising the level of knowledge about DAFs and how they work and benefit the charitable sector.
- Increase knowledge of DAFs among charity staff and board of directors through educational content, attendance at workshops, interaction with financial and philanthropic advisors, and other learning opportunities.

DAF FOUNDATIONS:

- Provide DAF education to charities of all sizes in order to reduce misinformation and disinformation.
- Invest in ongoing education and awareness about the charity sector, how charities operate and needs across the community.
- Consider sending new and/or charity-facing employees to local charities for awareness training.
- Create a cadre of DAF foundations and sector associations to spearhead a national education initiative through the distribution of materials, local workshops and seminars for charities, webinars, and sessions for advisors.
- Establish a national DAF association for foundations and charities or establish a dedicated unit at an existing sector association with responsibility for data collection, research, information distribution, education and advocacy.

6.2 More Disclosure and Information Sharing

Issues and Challenges

- Only 40% of gifts are received by charities with full disclosure.
- Limited disclosure prevents charities from developing a relationship with the donor.
- Donors are unaware of challenges to charities resulting from limited disclosure.
- Current communication procedures place a burden on DAF foundations.
- Anonymity is a challenge to a charity's policies and fiduciary responsibilities.
- There is confusion about the distinctions between anonymity and confidentiality.

Possible Solutions

CHARITIES:

- Directly or indirectly acknowledge and thank DAF donors for all gifts, even when the donor does not provide full disclosure or is anonymous. Reference the option of donor confidentiality.
- Gift Acceptance policies should identify how the organization will ensure that limited DAF disclosure will not inadvertently link the charity to people, organizations, or sources of wealth that may conflict with the charity's mission.

DAF FOUNDATIONS:

- Adopt greater nuance in discussing disclosure options and their implications with donors and encourage donors to establish direct relationships with charity partners.
- Standardize the disclosure options available to donors and ensure that options provide reasonable disclosure to enable appropriate contact with a donor. Treat anonymity as an exception requiring board consent, rather than an option.
- In the case of an approved anonymous gift, DAF foundations should advise the recipient charity that the gift will be processed without donor information and provide an attestation about the donor to satisfy internal policies of the charity.
- DAF foundations and philanthropic programs offered through professional advisors should limit the promotion of anonymity as a benefit.

6.3 Closer Collaboration on Donor Engagement and Communications

Issues and Challenges

- DAFs are expected to continue to grow in number, size, impact and influence.
- Charities want support from foundations to build relationships with DAF donors.
- DAFs represent an interruption to traditional fundraising practices.
- Charities find it ineffective to communicate with DAF donors via DAF foundations.
- DAF foundations wrestle with communications they receive on behalf of donors.
- Operating charities are significantly under-investing in fundraising.
- DAF donors are known to be more generous than direct donors.

Possible Solutions

CHARITIES:

- Clarify communication practices with DAF foundations from which you receive gifts. Be strategic about the frequency and quality of donor communications, with a view to developing communications specifically for DAF donors.
- Identify an interest in DAF funding by highlighting DAFs on an organization's website and in promotional materials, seminars, and in one-on-one discussions with donors and prospective donors.
- Treat all DAF gifts, irrespective of amounts, as major gifts on the grounds that, for the most part, DAF donors have the capacity to make a major gift.
- Recognize the impact of the increased presence of DAFs on traditional fundraising models. Invest in fundraising capacity and evolve practices and systems to account for donor intermediaries.

DAF FOUNDATIONS:

- Adopt practices that connect charities and fundholders (e.g., post donor profiles and interests, so that charities can identify them), and facilitate direct introductions of donors to charities -- and convene donors and charities with purpose.
- Clearly share with grantees how the foundation manages and supports communication and gift administration; adopt the use of direct communication portals for charities to connect with DAF donors with some independence.

6.4 Improved Gift Administration and DAF Disbursements

Issues and Challenges

- Communications between charities and foundations are often difficult due to staff turnover, and limited name and contact information.
- Some DAF foundations' processes for gift notification and requests for charity banking information creates security risks.
- There is a gap within many charities between the fundraising and finance functions, resulting in additional burdens on charities and DAF foundations.
- Only 12% of charities have DAF policies and operational guidelines in place.
- The increased use of DAFs and altered estate planning practices have resulted in fewer direct planned gifts to charities and difficulties in tracking expectancies.
- Most charities identify sustainable revenue sources as a challenge, although the majority of charities do not identify DAFs as a source of new revenue.
- The build-up of DAF assets and low, gifting rates are seen to lead to idle capital.
- A number of DAFs are inactive, a matter of concern to charities and regulators.
- The current Disbursement Quota formula and rate are up for review by CRA.

Possible Solutions

CHARITIES:

- Provide contact names and information on organizational website and correspondence for DAF foundations and donors.
- Streamline the process between the fundraising and finance functions to ensure that DAF gifts are appropriately captured and recorded.
- Develop appropriate DAF-related policies and procedures.

DAF FOUNDATIONS:

- Establish sector standards in order to develop, communicate, and monitor an individual Disbursement Quota for every DAF that would require annual fulfillment, other than in the year the DAF is established.
- Individual DAF foundations establish a minimum, annual, gift policy, with "no gift" being an exception requiring board consent.
- If authorized by the donor, DAF foundations should advise charities that they have been identified as a beneficiary in DAF succession plans.
- Provide contact name and information on a foundation website and in correspondence to enable charities to reach the foundation.
- Properly resource and build internal infrastructure to better partner with charities, such as establishing secure links for the uploading of confidential information (e.g., banking and donor details).

6.5 Growing Together

While DAFs are a financial vehicle for giving, the ultimate goal is meaningful philanthropy. Growing together and strengthening their collaborative capacity, charities and DAF foundations have the potential to move from transactional grants to transformational partnerships.

Looking forward, the study findings offer a baseline for DAFs and operating charities to convene and engage in dialogue about the findings, possible solutions, and viable actions. Additional research into the attitudes, views, and expectations of DAF donors would bring additional perspectives, and possibly more solutions, to the issues identified in the study.

The growth of DAFs need not be a threat to charities and professional fundraising. And the concerns of charities need not be viewed as inhibition. By closing the knowledge gap and reducing administrative friction, the Canadian DAF and charity ecosystem can move from a state of mutual hesitation to one of collaborative impact.

Appendix: DAFs in Countries Outside of North America

Asia

Since the mid-1990s, DAFs or funds with similar characteristics have become part of the philanthropic environment in a number of Asian countries:

Country	Initial DAF Establishment	Required Disbursement
China	2017	Yes[40]
Hong Kong	2012	No
India	1995	No
Japan	1997	No
Korea (South)	2000	No
Singapore	2008	No

Singapore

Although a recent entrant, Singapore is regarded as the most advanced of Asian countries in terms of DAF developments. As in North America, Singapore allows for DAFs to be held at community foundations, independent foundations and foundations associated with financial services firms.

The prominent position of Singapore is not reflected in the relatively small number of foundations with DAFs, but rather in the position of Singapore as the leading centre of private wealth services in Asia. For example, at the end of 2024, there were an estimated 1,500 family offices based in Singapore able to take advantage of generous tax regulations associated with philanthropic gifts.

The Wealth Management Institute in Singapore has projected that DAFs will increase from approximately 620 in 2025 to almost 3,100 by 2030. In spite of no formal DQ in Singapore, reports from leading foundations suggest that annual distributions are in a range of 60-80%, very high compared to North American rates.

Japan

As described in a 2023 report published by the Centre for Asian Philanthropy and Society, DAFs in Japan operate differently than elsewhere, as donors have limited advisory privileges regarding the disbursement of fund assets. All donations must be distributed through public offerings, a process involving a public call to eligible individuals and groups to apply for the grant, with the final recommendation/selection made by a foundation board.

[40] The disbursement requirement in China is 70% for public foundations and 8% for nonpublic foundations.

Australia and New Zealand

DAFs in Australia are known as sub-funds that are housed within a structure known as a public ancillary fund (PuAF). The concept of sub-funds as a giving vehicle is well established in Australia, and recently published estimates indicate that approximately A$6 billion is held in these funds. Their creation was led by the Australian federal government in 2000, not by independent activity. A recent publication of giving statistics indicates that 5% of donors donate to a DAF equivalent. A report by the Australian Government has proposed that the minimum Distribution Rate be increased to 6%, from the current level of 5%. Also, the government may develop a process whereby the minimum distribution obligation imposed on sub-funds can be adjusted to reflect the needs of the charitable sector (as opposed to the returns generated on assets held in the sub-funds).

In New Zealand, a country with approximately 28,000 charities, DAFs are identified as Gift Funds. The largest DAF institution in New Zealand, Perpetual Guardian, reported that in 2024, the average grant from a fund was NZ$16,729 (C$13,300) with 30% of all grants going to health-related causes. Growth of DAFs in New Zealand has been limited compared to some jurisdictions, as domestic tax regulations have no provision for the donation of publicly listed securities, despite 58% of charities identifying funding as their primary challenge.

United Kingdom

In a report published by the National Philanthropic Trust UK, at the end of 2024, DAF assets in the UK were £3.1 billion, with inflows that year representing nearly 6% of total charitable giving. Major DAF institutions in the UK include special purpose foundations, as well as those linked to foreign banks (such as UBS), institutions (National Philanthropic Trust) and foundations linked to prominent private wealth management firms (Cazenove).

Compared to Canada and the US, the overall Distribution Rate of UK DAFs (20.4%) and the Flow Rate (91.1%) reflect a far higher level of financial generosity and less "idle capital," despite the absence of an enforced DQ. Two other features of the DAF sector in the UK are an emphasis on personalized advisory services for DAF donors, as well as documented abilities to assist donors with international gifts.

Section Summary

International DAF developments suggest that some countries that are experiencing high growth in DAF usage are adopting regulations and practices that differ from those in Canada and that lead to greater flows from DAFs to charities.

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