



# DAF Archetypes

PATHWAY PHILANTHROPIC

With the tremendous growth of Donor Advised Funds (DAFs), there is ongoing conversation in the philanthropic sector about how to activate more of these accounts, ultimately increasing the flow of funds to non-profit organizations. It is common to hear comments suggesting that “donors are sitting on these accounts.” However, the reality is that behind each DAF account is a donor with a story.

The goal of this resource is to highlight some common DAF Donor Archetypes, shed light on why there may be inertia in disbursements, and explore how, collectively, the sector can provide resources, on-ramps, and support to help advance each donor on their philanthropic journey and inspire giving.

Several other resources have explored barriers to giving, including NCFP and ideas42's piece on the *Psychological Barriers to Giving*. The below resource is not exhaustive, and it is important to recognize that many DAF donors are already highly active in their grantmaking!

Another key consideration is that the stories of the DAF archetypes highlighted below often begin with a funding event, where an advisor frequently plays a role in providing guidance on the initial giving vehicle.



## NEW TO THIS LEVEL OF WEALTH

The donor has sold a company, gone through an IPO, inherited money, etc. They need to push pause to determine how to give at a larger level and endeavor to be strategic.

## NOT THE RIGHT TIME

So many donors live busy lives and recognize that they do not presently have the bandwidth to advance their giving to a deeper and more strategic phase.

## SAVING FOR A “PHILANTHROPIST” NEST EGG

There are a contingent of donors who acknowledge that they are focused on their careers and are in wealth generating mode, however they plan to focus heavily on philanthropy after they retire as their “next chapter.”

## THE OVERWHELMED DONOR

Many donors are trying to advance their giving however they can become overwhelmed by the number of non-profit organizations (more than 1.8 million in the US), the work it takes to research them, or they have not found the community they need to give them confidence. This scenario can often lead to donors becoming frustrated and “giving up”.

## LOYAL TO PERSONAL TIES AND CONNECTIONS

A segment of donors continues to support non-profits with which they have close personal affiliations, including religious institutions, educational alma maters, their children’s schools, or friends’ peer-to-peer fundraising efforts. While these contributions are valuable, such donors seldom consider giving to organizations outside their proximate personal networks.

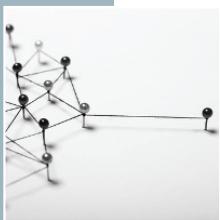
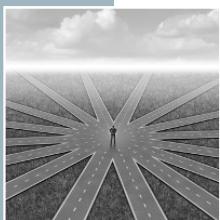
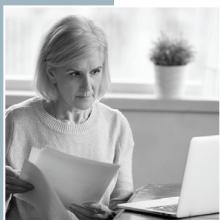
## MISTRUST OF NON-PROFIT SECTOR

There are donors who have either had bad experiences with non-profits, have been burned by making larger gifts, or have become indoctrinated into beliefs that non-profits are ineffective.

## PASSING ALONG A GIVING LEGACY

Some donors utilize their DAF as a means to pass on a philanthropic legacy to their children or grandchildren, so they are not motivated to give too much away from their DAF in an effort to preserve it for future generations. In many instances, families will utilize a separate DAF account or foundation for their active giving in an effort to not “tap into” the DAF account set up for the next generation.





## NEW TO THIS LEVEL OF WEALTH

- Support donors during this exploration phase as they consider the impact they most want to make in the world and how they will go about doing that.
- Guide donors through a reflection of their upbringing/family traditions, their values, and the issue areas that motivate them the most.
- Encourage them to scan the landscape, talk with other funders, and start to think about how they could be more strategic. Act as a sounding board and an overall resource given the opportunity to help guide, connect and inspire this donor.

## NOT THE RIGHT TIME

- Encourage donors to utilize philanthropic services or consultants who may be able to support them on this journey to ensure funds are deployed.
- There are also a multitude of intermediaries and pooled funds that may provide a solution for donors who do not have the time to extensively research non-profit organizations or even engage with such organizations.

## SAVING FOR A "PHILANTHROPIC NEST EGG"

- Recognize ways to support these donors especially if the donors have intimated what issue area they are passionate about and where they will focus their energies upon retirement.
- Invite them to learn alongside you about organizations, initiatives and funding opportunities.
- Determine if there is a way to introduce them to other like-minded professionals or funders who may be further along in their journey and have helpful insights or guidance.

## THE OVERWHELMED DONOR

- Listen and understand what "small bites" of information or introductions to donors and donor communities feel manageable.
- Where appropriate, provide guidance regarding how to scan the non-profit landscape and conduct due diligence, so that the donor can feel less overwhelmed as they navigate this ecosystem.

## LOYAL TO PERSONAL TIES AND CONNECTIONS

- Gauge the best way to have the conversation with the donor regarding their giving and the impact they most want to make in the world.
- Ask questions regarding an overarching strategy and how they approach their giving. Often outlining what is important to them and being curious about how they give and why can lead to a broader conversation.
- Open their mind to the idea of "yes and" philanthropy through which, for example, they can think about supporting their children's private school while also thinking of the school three towns away serving children living in poverty.

## MISTRUST OF NON-PROFIT SECTOR

- Listen to the cues and clues regarding the donor and the story they are telling about their previous experiences or beliefs regarding non-profits. Was there a one-off experience that can be rectified by building trust and a longstanding relationship? Does the donor know how to navigate the more trust-based dynamics that other funders are embracing?
- Consider a strong engagement plan to support this type of donor, the need for conversations around topics such as good overhead vs. bad overhead, etc.

## PASSING ALONG A GIVING LEGACY

- Determine how you can play a role in supporting a multigenerational family as they navigate the topics of philanthropy and legacy. Are there family values that should be incorporated into the plans for the Legacy DAF?
- Consider how you can work with the older generation around the notion of "giving while living" and seeing the value in engaging the next generation now. It is also critical to work with the older generation to determine the best model to engage the next generation, i.e., a collective DAF vs. dividing the funds amongst multiple DAFs for each family member.

