



BNY MELLON
WEALTH MANAGEMENT

2022 Annual

Charitable Gift Report



About This Report

BNY Mellon Wealth Management's 2022 Charitable Gift Report assesses the philanthropic landscape, levels of giving over the past five years and donor behavior to provide insights, context and benchmarks.

This report provides analytics and observations on the charitable gift annuity (CGA) and charitable remainder trust (CRT) activity during the calendar year 2021 for 101 nonprofit organizations and the BNY Mellon Charitable Gift Fund.¹

Organizations Represented in This Report



2021 Gift Activity



2021 Donor Advised Fund Activity



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¹Data for the report is based on completed gift records in our database as of March 30, 2022.

Executive Summary

As the world moved toward a post-COVID era, a host of challenges have emerged — war in Europe, surging inflation, rising interest rates and the lingering impact of the pandemic.

Despite these challenges, the philanthropic community demonstrated tremendous resourcefulness and generosity. Many nonprofits pivoted and discovered new ways to build support for their missions and connect with supporters. Conversations focused on legacy and impact were prioritized and led many to move forward with their philanthropic plans.

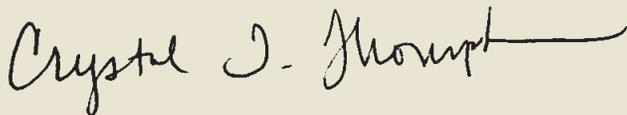
Compared to 2020, gift activity for both charitable gift annuities and charitable trusts increased, and the BNY Mellon Charitable Gift Fund experienced a record year in the amount of contributions received.

To better understand some of the motivating factors for giving and gift techniques, we launched our inaugural charitable giving study for which we surveyed 200 HNW investors about their philanthropy (Key findings are on page 31 of this report and [the full study is here](#)).

Philanthropy will be forever changed by the events of the last few years. Going forward, it will be important for individuals and nonprofits alike to maintain the resilient, adaptive spirit that helped them overcome the challenges of the past if we are to improve our world and foster change through giving. This report is a resource intended to help facilitate that process.

Highlights from 2021 Gift Activity

- Increase in CGAs within social services and healthcare sectors
- Residuums for matured CGAs over 85%
- 33% increase in new CRTs
- Over 50% of new CRTs funded with non-cash assets



Crystal Thompkins, CAP®, CSPG^{CM}
Head of Philanthropic Solutions

2022: A Turning Point for Investors

Key Takeaways

- Returns over the next 10 years will likely be lower than the prior 10 years.
- Opportunity cost of being too conservative is high for long-term investors.
- The short-term drawdown and volatility risk needs to be balanced with the long-term risk of not achieving financial and philanthropic objectives.
- Time is one of the most powerful forces that affects long-term investment outcomes.
- Forward-looking asset allocation, diversification including less-correlated assets, and discipline to stay invested are keys to success.

The Investment Landscape

Negative real interest rates, rising inflation, slower earnings growth, increasing volatility, declining valuations and tighter monetary policy have descended on financial markets simultaneously in 2022. As a consequence, this is causing a significant increase in the volatility of equity, fixed income and commodities prices.

Through June 24, 2022, more than 50% of trading days for the S&P 500 have seen moves of greater than 1%. At the same time, fixed income, normally a consistent hedge against equity market volatility and drawdown, has also delivered negative absolute returns. This environment is testing the mettle of investors to maintain discipline and focus on long-term objectives. While our attention is often drawn to sensational headlines of the daily news cycle, as investors it is important that the focus remain on the events that impact the economy, inflation and earnings – the fundamental factors that matter most to markets.

2022 Capital Market Assumptions

After a decade of strong performance capped off by double-digit growth of U.S. equities in 2020 and 2021, our return projection for equities moving forward is revised modestly lower. A reduction in real growth expectations, lower income assumptions and a decline in valuations are expected to prevent a repeat performance of the past two years. (See [BNY Mellon's 2022 Capital Market Assumptions](#).)

We expect investment grade fixed income to be a lagging source of total return and income yield in the coming years. With interest rates and credit spreads at or near all-time lows, interest rate hikes expected and persistent inflation present, real return for investment grade fixed income is likely to be negative for the foreseeable future.

Three Potential Investment Outcomes

For nonprofits with planned giving programs, it is important to understand the implications of lower expected returns and higher inflation. Investing and spending for life income vehicles, at a fundamental level, has three possible outcomes.

- **Outcome #1: Growth** – Returns are greater than spending and inflation. We have experienced this over the last 10 years.
- **Outcome #2: Maintain purchasing power** – Returns are equal to spending and inflation.
- **Outcome #3: Purchasing power declines** – Returns are less than spending and inflation. We expect to experience this for the next 10 years.

		10-Year Annualized Expected Returns		
Asset Class		2021 Return Assumption	2022 Return Assumption	Change in Assumption
Equity	U.S. Large Cap Equity	6.5%	5.9%	-0.6%
	U.S. Mid Cap Equity	7.0%	6.4%	-0.6%
	U.S. Small Cap Equity	7.7%	6.9%	-0.8%
	International Developed Equity	7.0%	5.8%	-1.2%
	Global Emerging Markets Equity	8.6%	7.6%	-1.0%
	Global REIT	6.5%	5.9%	-0.6%
Fixed Income	U.S. Treasury Bills	0.6%	1.1%	0.5%
	U.S. Treasury	0.5%	0.9%	0.4%
	U.S. Aggregate	1.0%	1.2%	0.2%
	U.S. Investment Grade Credit	1.3%	1.5%	0.2%
	U.S. Intermediate Municipal	0.4%	0.9%	0.5%
	U.S. High Yield	2.7%	1.9%	-0.8%
Diversifiers	U.S. Private Equity ^{1,2}	8.5%	7.9%	-0.6%
	Hedge Funds - Equity Hedge ^{1,2}	5.0%	4.9%	-0.1%
	Absolute Return ^{1,2}	3.1%	3.2%	0.1%
	Commodities	2.4%	3.0%	0.6%
Economy	U.S. Inflation	2.4%	3.0%	0.6%
	U.S. Real GDP Growth	2.9%	1.9%	-1.0%
	U.S. 10-Year Note Yield	2.7%	3.2%	0.5%
	U.S. Short-Term Interest Rate	1.7%	2.2%	0.5%

Source: BNY Mellon Investor Solutions. Data as of September 30, 2021.

¹ Consistent with the Representative Index, returns are net of management fees.

²The Representative Index is not investable. Returns are based on manager averages. Actual results may vary significantly.

Funding Gap for Planned Gifts 2022 and Beyond

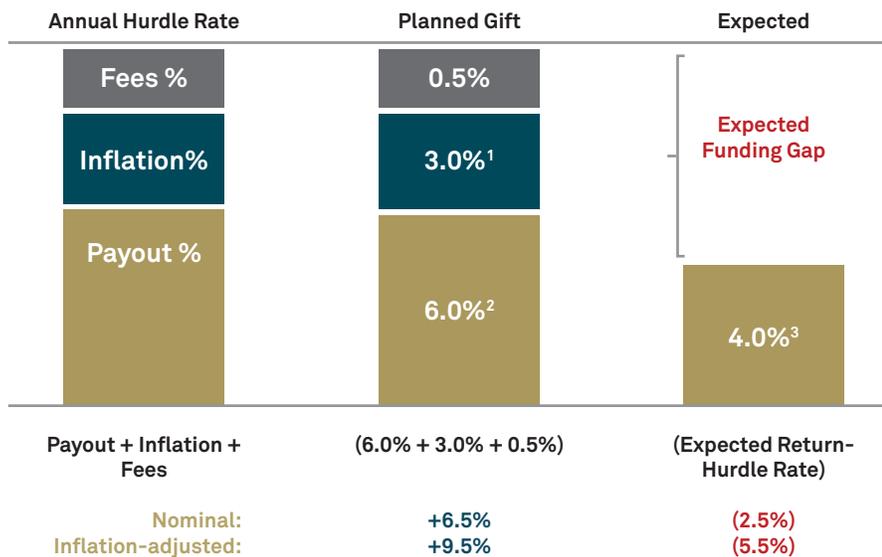
In general, planned giving vehicles have annual payout rates of more than 5%, sometimes higher. This high hurdle rate means that planned giving portfolios must generate levels of return higher than 5% to maintain the original value of the gift. If one also hopes to preserve the purchasing power of the original gift amount, then the required rate of return is even higher. With an increase in the expected rate of inflation to 3% and fees of 0.5% to 1%, a planned giving vehicle with a 6% payout has a hurdle rate of approximately 9.5%.

Hypothetical Portfolio Returns 2021 vs. 2022

Based on our 2022 CMAs, we do not expect any portfolio or asset class to generate real growth over the next 10 years. With this shift in expectations, nonprofits are faced with a funding gap that will make growth (i.e., returns in excess of spending and inflation) unachievable for many planned giving vehicles.

Therefore, after such an extended period of impressive returns, it is important for nonprofits not to extrapolate or assume that the high rates or return of the last 10 years will continue indefinitely, especially when modeling planned gifts for prospective donors. By setting reasonable expectations, organizations can better inform stakeholders and donors about the potential outcomes of a planned gift.

Funding Gap for Planned Gifts 2022 and Beyond

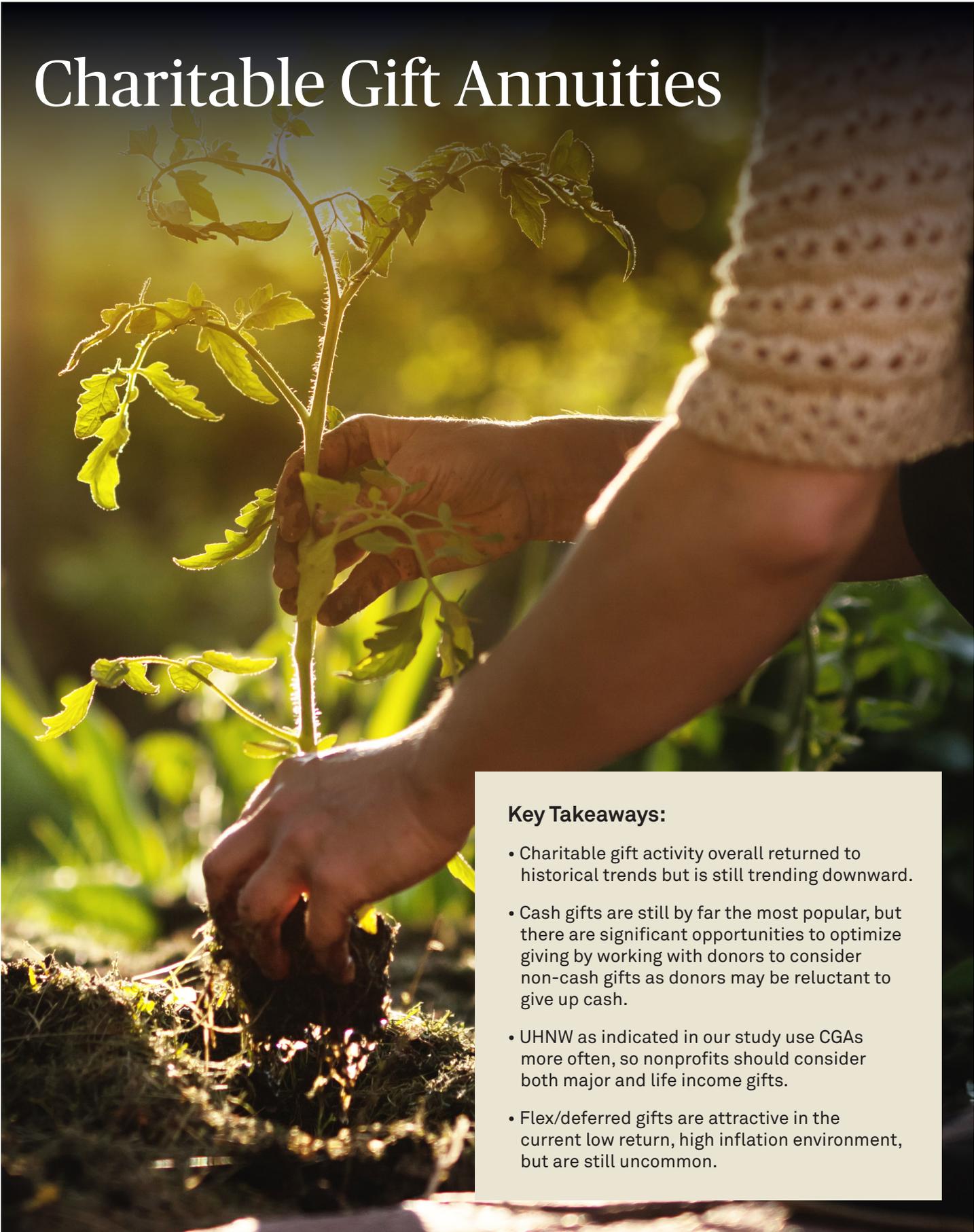


¹ Expected annual rate of inflation based on BNY Mellon Wealth Management 2022 Capital Market Assumptions.

² Average payout rate for new trusts funded in 2020. Source: BNY Mellon Charitable Gift Report.

³ Expected return for a hypothetical 60/40 allocation based on BNY Mellon Wealth Management 2022 Capital Market Assumptions.

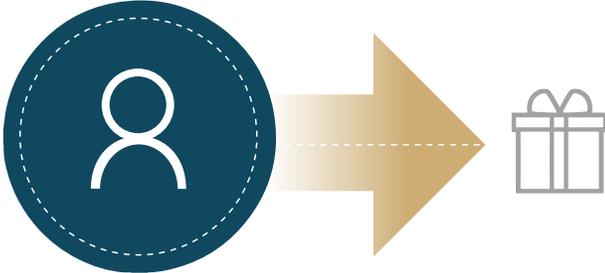
Charitable Gift Annuities



Key Takeaways:

- Charitable gift activity overall returned to historical trends but is still trending downward.
- Cash gifts are still by far the most popular, but there are significant opportunities to optimize giving by working with donors to consider non-cash gifts as donors may be reluctant to give up cash.
- UHNW as indicated in our study use CGAs more often, so nonprofits should consider both major and life income gifts.
- Flex/deferred gifts are attractive in the current low return, high inflation environment, but are still uncommon.

Charitable Gift Annuity Donor Profile



79 years old, same as prior year

Repeat donor(s)

Residents of TN, FL or CA

Giving in October, November or December

Giving to organizations outside state

Giving to educational institutions

\$25,000 cash gift, same as prior year

Payout rate¹ 6.2% same as prior year

Trends in Gift Activity

The number and total dollar amount of gifts moved upward in 2021 after declining the prior year, most likely due to the impact of the global pandemic. The average gift size also increased, while the median gift size remained unchanged.

Annuity Profile	2017	2018	2019	2020	2021
Number of Gifts	608	511	617	460	507
Total Gift Amount	\$61,312,399	\$43,392,106	\$67,850,911	\$43,313,022	\$55,086,888
Annual Payments	\$3,926,980	\$3,044,220	\$4,384,830	\$2,786,756	\$3,399,369
Median Gift Size	\$25,000	\$25,000	\$30,000	\$25,000	\$25,000
Avg. Gift Size	\$100,843	\$84,916	\$109,969	\$94,159	\$108,653
Median Donor Age	80	78	77	79	79
Avg. Donor Age	79	78	77	79	79

¹ Payout rate based on recommended ACGA rates as of July 1, 2020, for a 79-year-old donor.

Gifts by Size

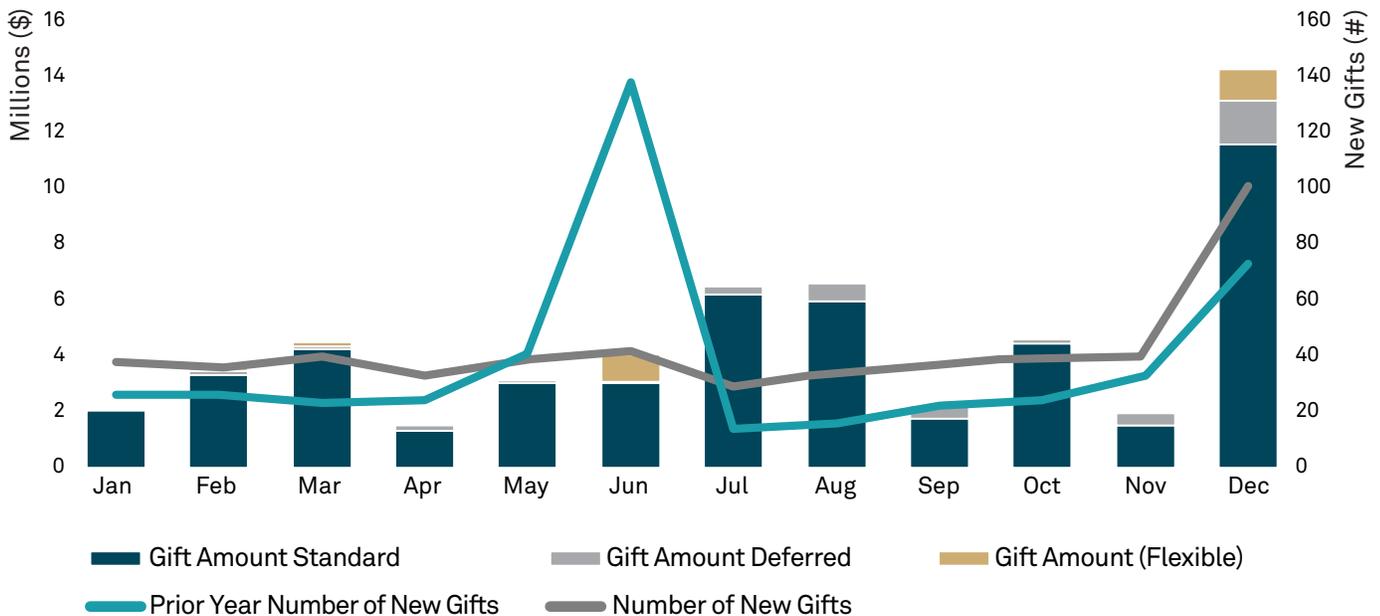
Gifts of more than \$100,000 represented only 29% of the total contracts in 2021, but accounted for 85% of the total gift dollars. Gifts between \$10,000 and \$50,000 represented the majority of contracts in 2021 at 54%, the same as the prior year.

Category	# of Contracts	% of #	Gift Amount	% of \$
1) Gifts < \$10,000	32	6%	\$ 170,537	0%
2) Gifts \$10,000 - \$49,999.99	274	54%	\$ 4,937,218	9%
3) Gifts \$50,000 - \$99,999.99	55	11%	\$ 3,137,998	6%
4) Gifts \$100,000 - \$499,999.99	125	25%	\$ 18,756,552	34%
5) Gifts \$500,000 - \$999,999.99	6	1%	\$ 3,419,053	6%
6) Gifts >= \$1,000,000	15	3%	\$ 24,665,530	45%
	507		\$ 55,086,888	

Gifts by Month

2020's mid-year spike was due to the American Council on Gift Annuities (ACGA) rate change, and a similar spike will likely occur in 2022 due to the most recent rate change in July.

Number of New Gifts and Gift Amounts by Month



New Gifts by Organization Type

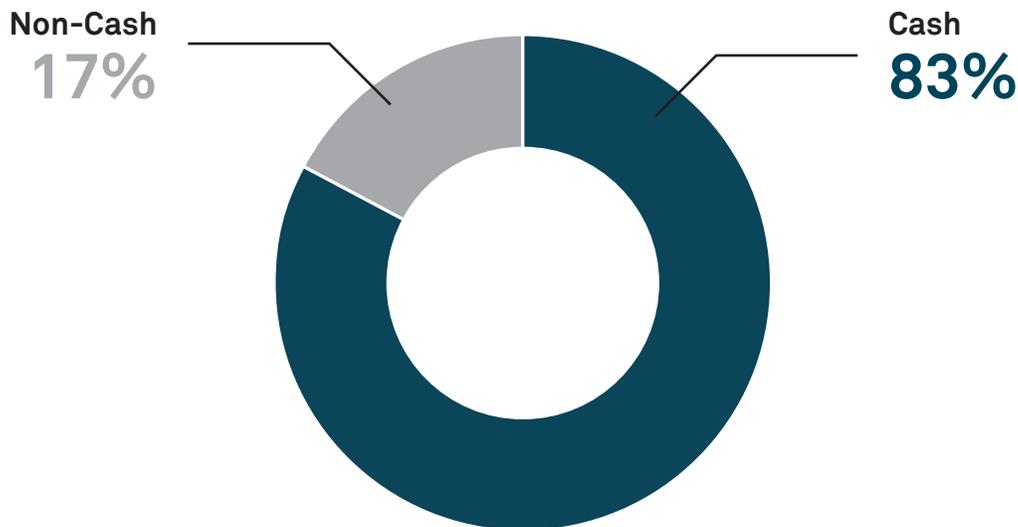
Client Type	Gift Value	No of Gifts	\$ % of Total	# % of Total	Client Count	Client % of total
Educational	\$ 33,807,104	219	61%	43%	40	70%
Social Services/Other	\$ 14,426,458	191	26%	38%	8	14%
Healthcare	\$ 3,090,412	16	6%	3%	2	4%
Faith-Based/ Religious	\$ 2,587,727	54	5%	11%	4	7%
Cultural	\$ 1,175,188	27	2%	5%	3	5%
	\$ 55,086,888	507	100%	100%	57	100%

2021 Gifts by Contract Type

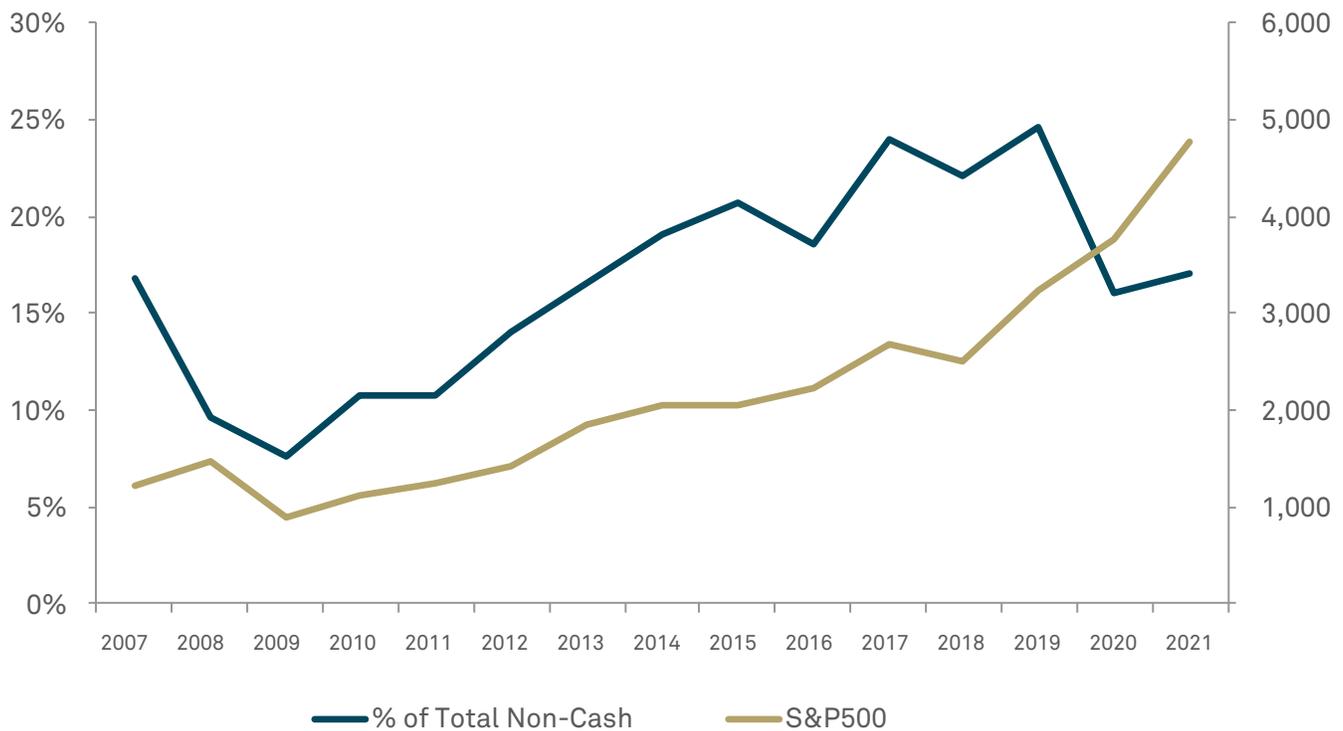
	Number of Contracts		Value of Contracts	
	2021	2020	2021	2020
Standard	87%	85%	88%	89%
Deferred	10%	12%	8%	8%
Flexible	3%	3%	4%	3%

Gifts of Cash

Cash vs. Non-Cash Gifts Count



Non-Cash Gifts vs. S&P 500 Index

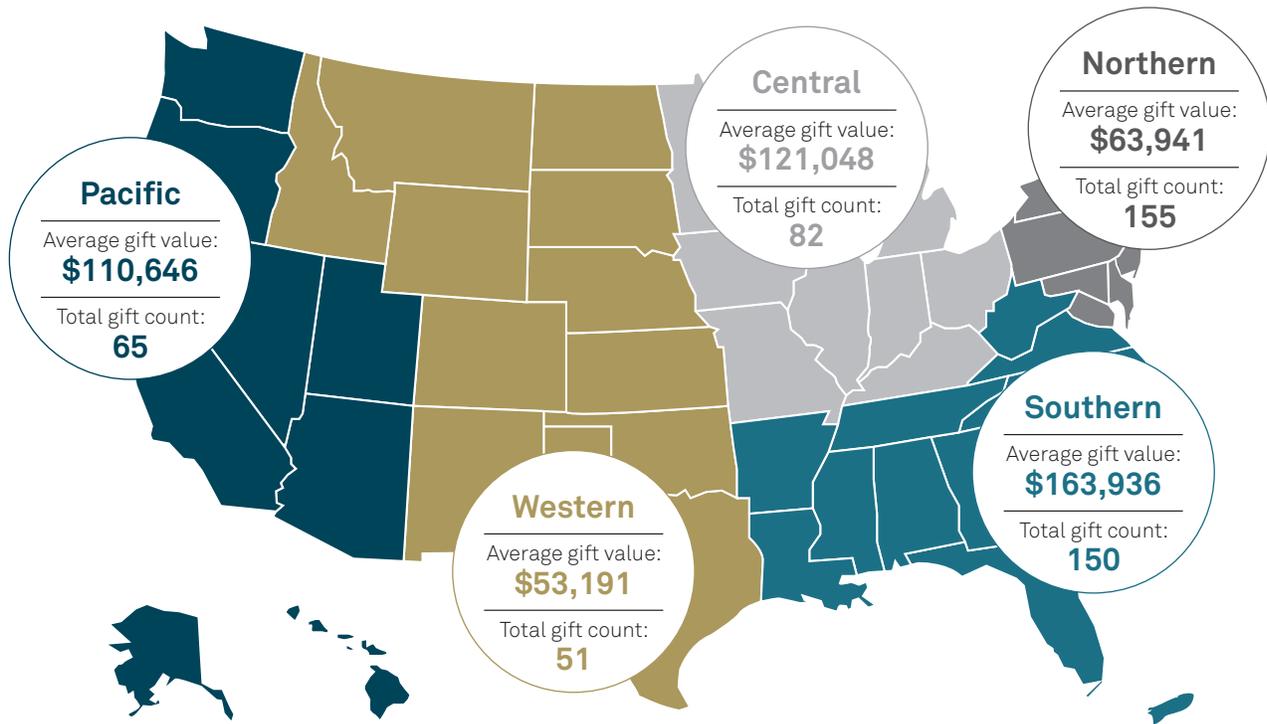


Donor Demographics

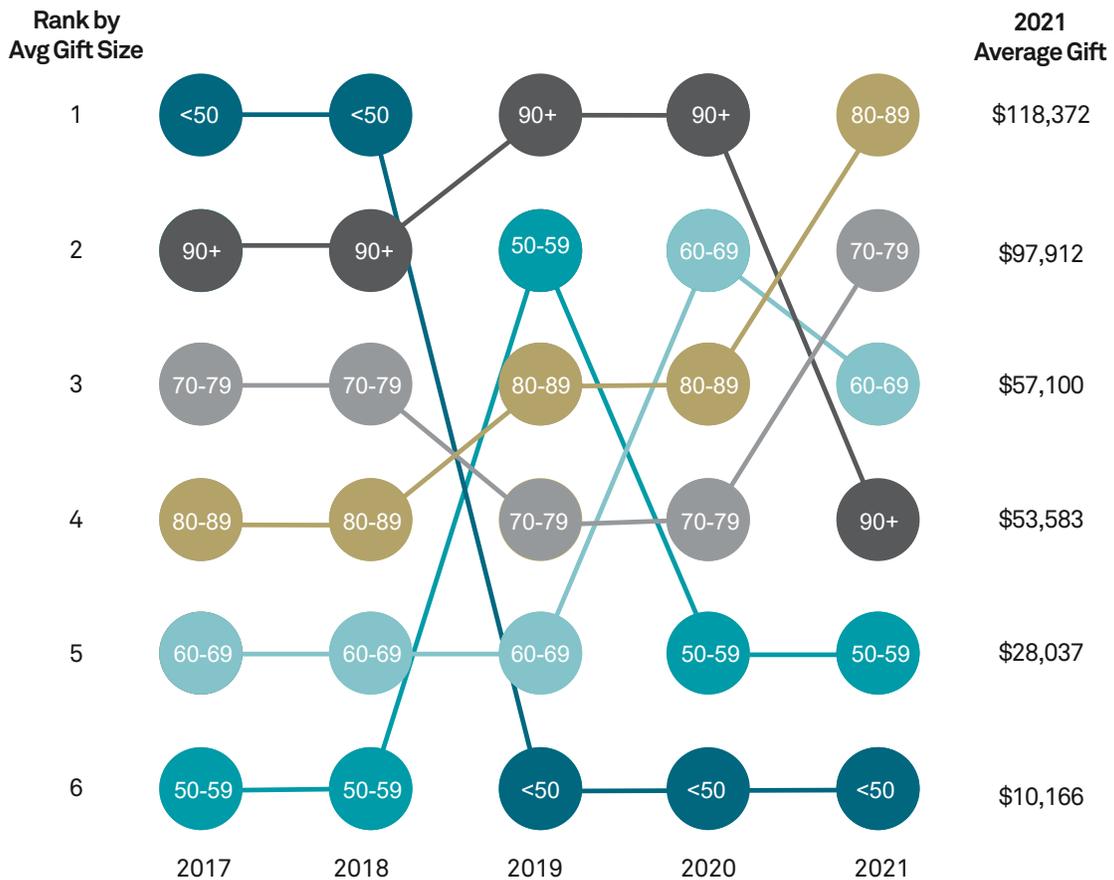
Key Takeaways:

- New donors outnumbered repeat donors and made larger gifts on average (almost 20% greater).
- New donor activity and gift size increased significantly in 2021.
- Donors on average are older than prior years, aligning with recent mortality data that the population in general is living longer.
- Older donors (70-89) have taken the lead as the age cohort with the highest average gift amount.

Donor Location & Average



Average Gift Amount by Donor Age



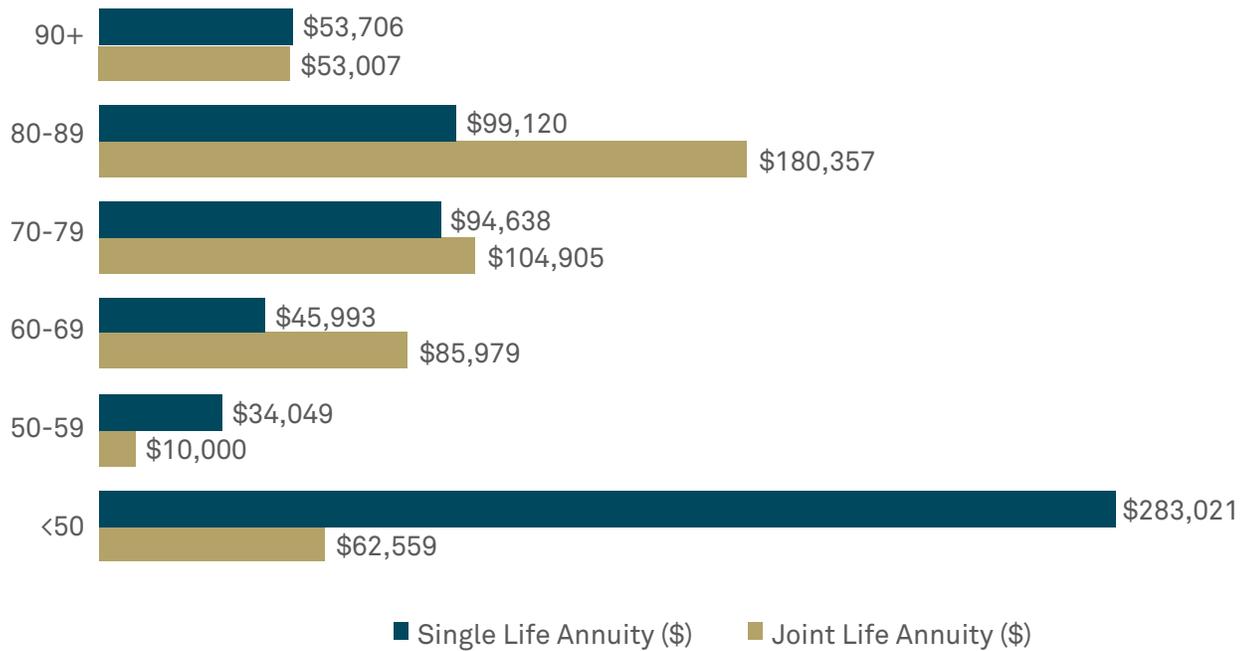
New vs. Repeat Donors

	% of Total Gifts	Average Gift	Median Gift
Repeat Donors	49%	\$100,016	\$25,000
New Donors	51%	\$118,492	\$25,000

New vs. Repeat Donors by Organization Type

2021 Client Sector	Repeat Donor Activity		New Donor Activity	
	Amount	Count	Amount	Count
Educational	\$15,835,183	133	\$17,971,922	86
Social Services/Other	\$8,768,606	85	\$5,657,851	106
Cultural	\$902,227	20	\$272,962	7
Faith-based/Religious	\$877,679	26	\$1,710,047	28
Healthcare	\$620,600	6	\$2,469,812	10
	\$27,004,294	270	\$ 28,082,594	237

Average Gift Amount by Age and Number of Lives



Annuity Terminations

Trends in Annuity Terminations

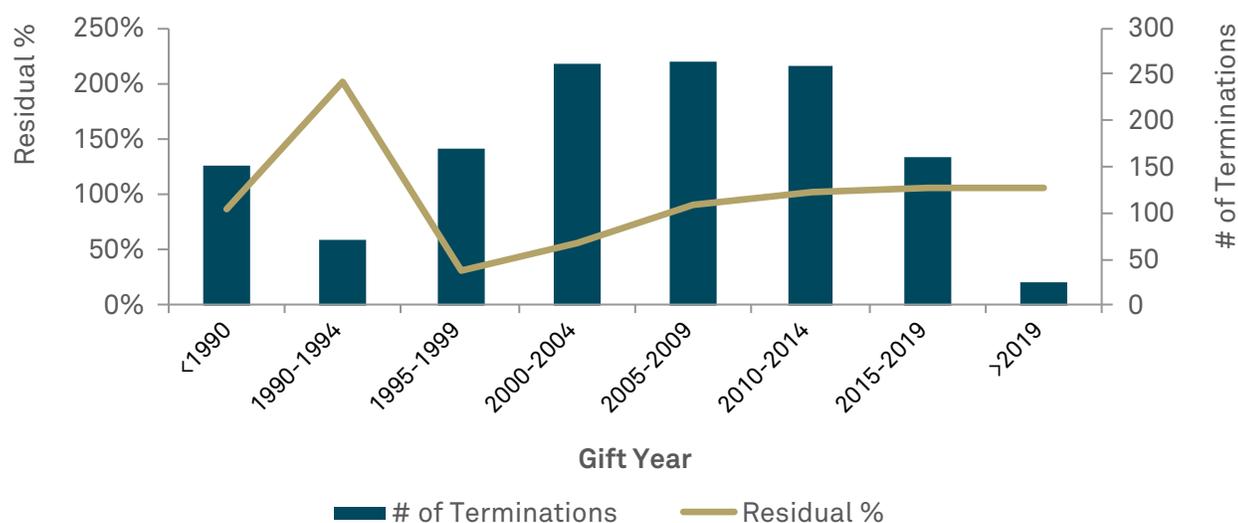
	2017	2018	2019	2020	2021
Number Terminated	872	737	951	893	1364
Residuum %	92.39%	82.19%	94.03%	72.85%	85.40%
MV of Terminated Gifts	\$36,167,280	\$37,623,306	\$48,564,153	\$39,719,619	\$48,725,832
Average Actual Gift Duration	13.2 Years	13.4 Years	14.2 Years	15.0 Years	18.3 Years
Median Actual Gift Duration	13.01 Years	13.4 Years	13.7 Years	14.2 Years	15.9 Years
Effective Payout of Terminated Gifts	11.52%	10.46%	8.24%	10.96%	8.88%
Initial Payout Rate Average	8.32%	7.97%	8.02%	7.89%	7.39%

Gift Flows¹

Client Type	2020	2021
Healthcare	0.68	2.24
Social Services/Other	1.53	1.77
Educational	0.93	0.93
Faith-based/Religious	2.94	0.93
Cultural	1.02	0.58
Ratio	1.07	1.09

¹The CGA Gift flow ratio represents the difference between CGA gift dollar inflows and terminated gift outflows. A ratio equal to or greater than one indicates new gift activity that outpaces gift terminations.

Gift Terminations and Residuum Value by Gift Year



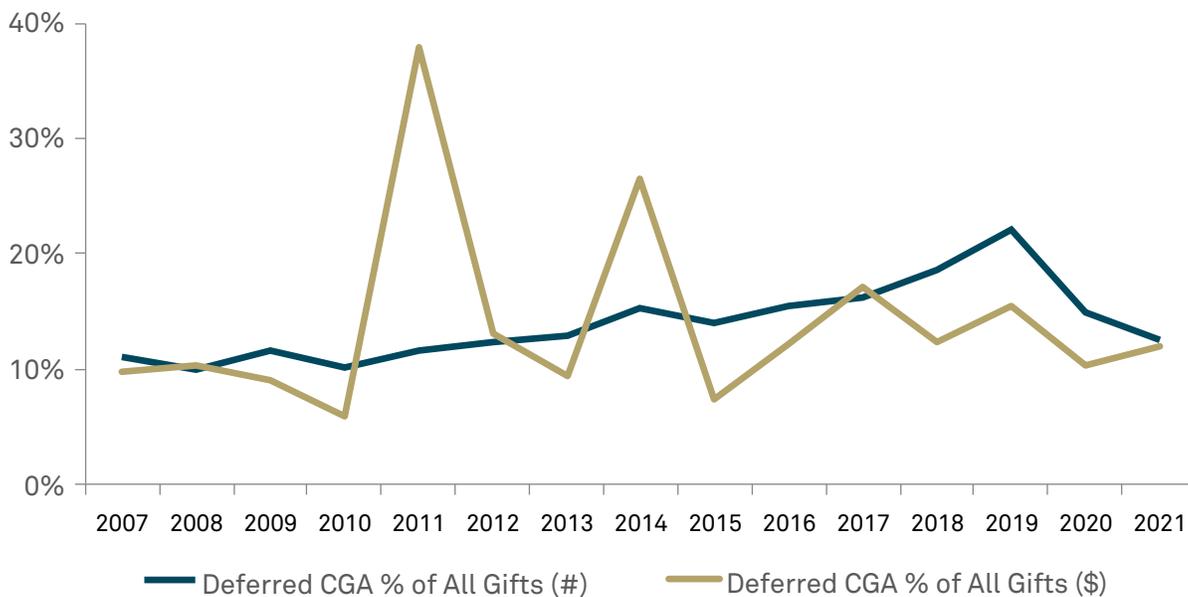
2021 Deferred CGA Terminations

	Residuum	Average Deferral Length
Deferred	247.80%	5 years
Standard	81.22%	n/a

Deferral Length and Residuums

Termination Year	Residuum	Number of Terminations	Average Deferral Length (Yrs)
2017	175%	62	4.76
2018	134%	63	5.44
2019	118%	81	5.97
2020	179%	72	5.29
2021	248%	104	5.26

Deferred CGA Trends



Organizations with Underwater Gifts

Client Segment	Client Count	No of Gifts	Avg Payout	Avg Gift Duration	Avg Bene Age at Gift
Social Services/Other	12	407	8.03%	21.2	73
Educational	26	274	8.18%	21.3	73
Faith-based/Religious	9	110	7.34%	24.4	66
Cultural	5	26	8.62%	19.6	78
Healthcare	2	11	8.06%	21.7	75
	54	828			

Assignment or Termination of Gift Annuity Interest

While not common practice, there are situations when a gift annuity interest may be assigned to the charity or even terminated to accelerate the donor's gift or end the payment liability for an underwater annuity.

Potential scenarios worth considering include those when:

- The annuitant has expressed that they no longer need income or, alternatively, that their circumstances have changed, and they need a greater inflow of cash.
- The annuity is currently underwater or is projected to exhaust.
- The annuitant has a deep affinity for your organization and indicated that they want to do more now.

The two most common types of early terminations are:

- **Charitable Termination** (i.e., assignment of interest) - The annuitant contributes their interest in all future payments to charity.
- **Non-charitable Termination** (i.e., buyout) - The annuitant exchanges their future life income stream for a lump sum payment.

High-level Benefits and Considerations

	Annuity Payment Obligation Ceases	One-Time Payment to Annuitant(s)	Taxable Event for Annuitant(s)	Tax Deduction for Annuitant(s)	Contract Liability Removed	Residuum for Charity
Charitable Termination	YES	NO	NO	MAYBE ¹	YES	MAYBE ²
Non-Charitable Termination	YES	YES	YES	NO	YES	MAYBE ³

¹Typically, lesser of present value of projected payments or undistributed portion of the annuity contract.

²Equal to the current market value of the gift if that value is positive.

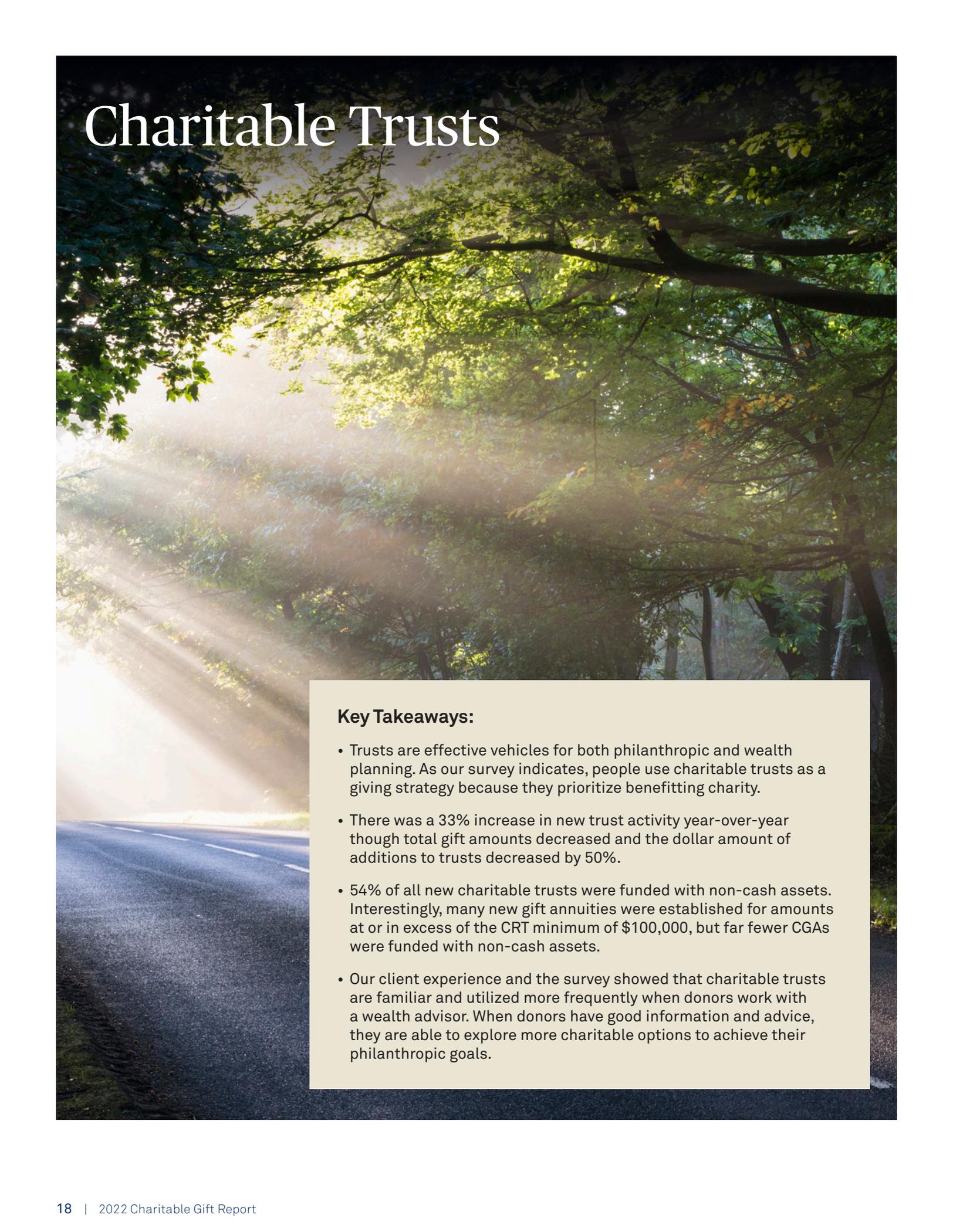
³Equal to the remaining value of the gift after the one-time payment to the annuitant is made, if the remaining value is positive.

The exact benefits to the individual and charity should be reviewed prior to agreeing to the early termination and will be calculated based on the specific details of the gift. The details needed to complete a calculation include: date of gift; payment frequency; age of annuitant; number of annuitants; funding asset(s); and current gift value.

These situations are unique and may not always be appropriate, but a regular review of your portfolio and basic internal policy could help realize healthier gifts for your organization. Each situation should be reviewed to determine eligibility and appropriateness with legal counsel. A best practice includes a routine review to proactively identify gifts that may be good candidates for these options.

BNY Mellon can analyze your program to determine benefits and identify considerations for specific gifts that may qualify.

Charitable Trusts



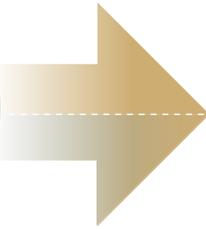
Key Takeaways:

- Trusts are effective vehicles for both philanthropic and wealth planning. As our survey indicates, people use charitable trusts as a giving strategy because they prioritize benefitting charity.
- There was a 33% increase in new trust activity year-over-year though total gift amounts decreased and the dollar amount of additions to trusts decreased by 50%.
- 54% of all new charitable trusts were funded with non-cash assets. Interestingly, many new gift annuities were established for amounts at or in excess of the CRT minimum of \$100,000, but far fewer CGAs were funded with non-cash assets.
- Our client experience and the survey showed that charitable trusts are familiar and utilized more frequently when donors work with a wealth advisor. When donors have good information and advice, they are able to explore more charitable options to achieve their philanthropic goals.

Charitable Trust Donor Profile



Multi donor,
multi-life



77 years old

Funding a standard Charitable
Remainder Unitrust (CRUT)

Giving to educational institutions,
faith-based/religious and social
services

\$450,000 average gift

\$202,000 median gift

New Trusts by Gift Type

Major Gift Type	Gift Type Name	Gift Year	Initial Gift	No of New Gifts	Gift Amount
Trust	Uni	2021	New Gift	30	\$12,596,731
Trust	Net Income	2021	New Gift	8	\$5,107,000
Trust	Lead	2021	New Gift	2	\$265,653
Trust	Annuity	2021	New Gift	2	\$46,102
				42	\$18,015,486

Major Gift Type	Gift Type Name	Gift Year	Initial Gift	No New Gifts	Gift Amount
Trust	Uni	2021	Addition	53	\$7,010,961
Trust	Net Income	2021	Addition	15	\$326,639
				68	\$7,337,600

Trust Activity

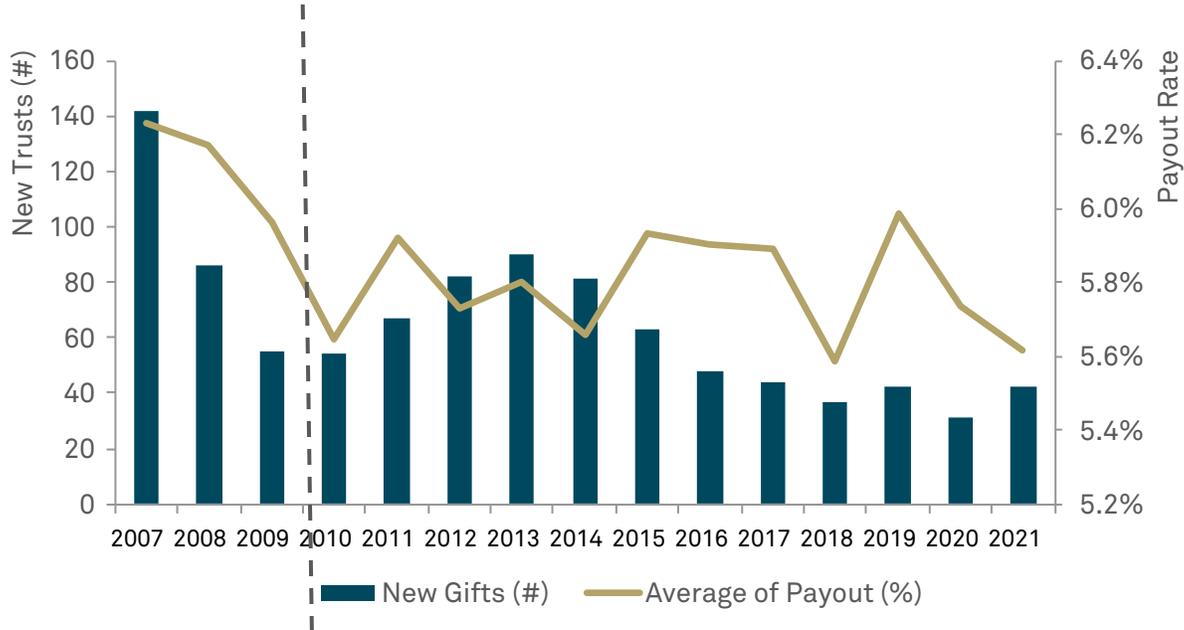
New Trust Gifts

Major Gift Type	Client Type	Gift Year	Gift Value	No of Gifts	\$ % of Total	# % of Total	Client Count	Client % of Total	PY (2020) \$ Gifts	PY (2020) # Gifts
Trust	Educational	2021	\$13,368,486	26	74%	62%	15	75%	\$17,062,265	22
Trust	Faith-based/ Religious	2021	\$2,704,092	7	15%	17%	3	15%	\$623,262	3
Trust	Social Services/ Other	2021	\$1,942,908	9	11%	21%	2	10%	\$2,176,979	6
			\$18,015,486	42	100%	100%	20	100%	\$19,862,506	31

Trust Additions

Major Gift Type	Client Type	Gift Year	Gift Value	No of Gifts	\$ % of Total	# % of Total	Client Count	Client % of Total	PY (2020) \$ Gifts	PY (2020) # Gifts
Trust	Educational	2021	\$5,875,852	57	80%	84%	13	68%	\$13,322,076	68
Trust	Faith-based/ Religious	2021	\$1,460,869	10	20%	15%	5	26%	\$70,960	7
Trust	Social Services/ Other	2021	\$879	1	.01%	1%	1	5%	\$125,000	5
			\$7,337,600	68	100%	100%	19	100%	\$13,518,036	80

Yearly New Trusts & Average Payout %



Charitable Remainder Trusts from the Wealth Advisor Perspective

According to the BNY Mellon Charitable Giving Study, most (63%) high-net worth individuals are working with their wealth management advisors to develop and execute their giving strategy. In many instances, charitable remainder trusts (CRTs) are the vehicle of choice for individuals as they seek ways to address both philanthropic and wealth planning goals.

Generally, those who might consider a CRT are:

- Looking to supplement income needs for themselves or someone else to fund their lifestyle.
- Planning for future lifestyle changes such as an upcoming retirement.
- Wanting to address specific tax and estate planning needs.
- Charitably inclined, making regular annual gifts to one or more charities.
- Creating a legacy of giving for the children or grandchildren through their wealth plan.

CRT Case Study

A husband and wife, who are long-time clients of BNY Mellon Wealth Management, earned their wealth as owners in the family lumber company. After the sale of a majority stake at retirement, they still maintained a small, concentrated position in the lumber company. In 2021, with the price of lumber at its highest in years, they could not pass up the opportunity to sell their remaining position in the company.

With a low-to-zero cost basis, a sale was going to cause a very large taxable event. The husband wanted to ensure a stream of income for his wife, but was not worried about his kids' inheritance as they had their own wealth. The couple had a deep affinity to their local church and made annual gifts from their required minimum distributions (RMD). Knowing all of the details of our clients wealth planning goals and family needs, the BNY Mellon Wealth Management wealth advisor recommended a CRT funded with company stock to mitigate the tax liability and make an impactful gift to charity.

Who is Helping to Drive Giving Conversations?

Our study of HNW and UHNW investors revealed that:

- **Wealth Managers**, due to their deep understanding of their clients' preferences and goals for the future and their involvement in creating, managing and implementing the wealth strategy, are well-positioned to begin the conversation and identify solutions well in advance of a significant wealth event.

For our Wealth Management family clients, these in-depth conversations resulted in both beneficial tax consequences and meaningful gifts, with CRTs funded for an average amount of \$3.3 million¹.

Other stakeholders in the giving conversation for our clients include:

- **Attorneys and CPAs** are most likely to focus solely on drafting documents and tax advice but generally do not initiate conversations on philanthropy and are not part of the charitable giving conversation details. Donors are also most often serving as their own trustees and not engaging a professional fiduciary, at least initially.
- **Charities** are rarely if ever involved in conversations with the wealth advisor.

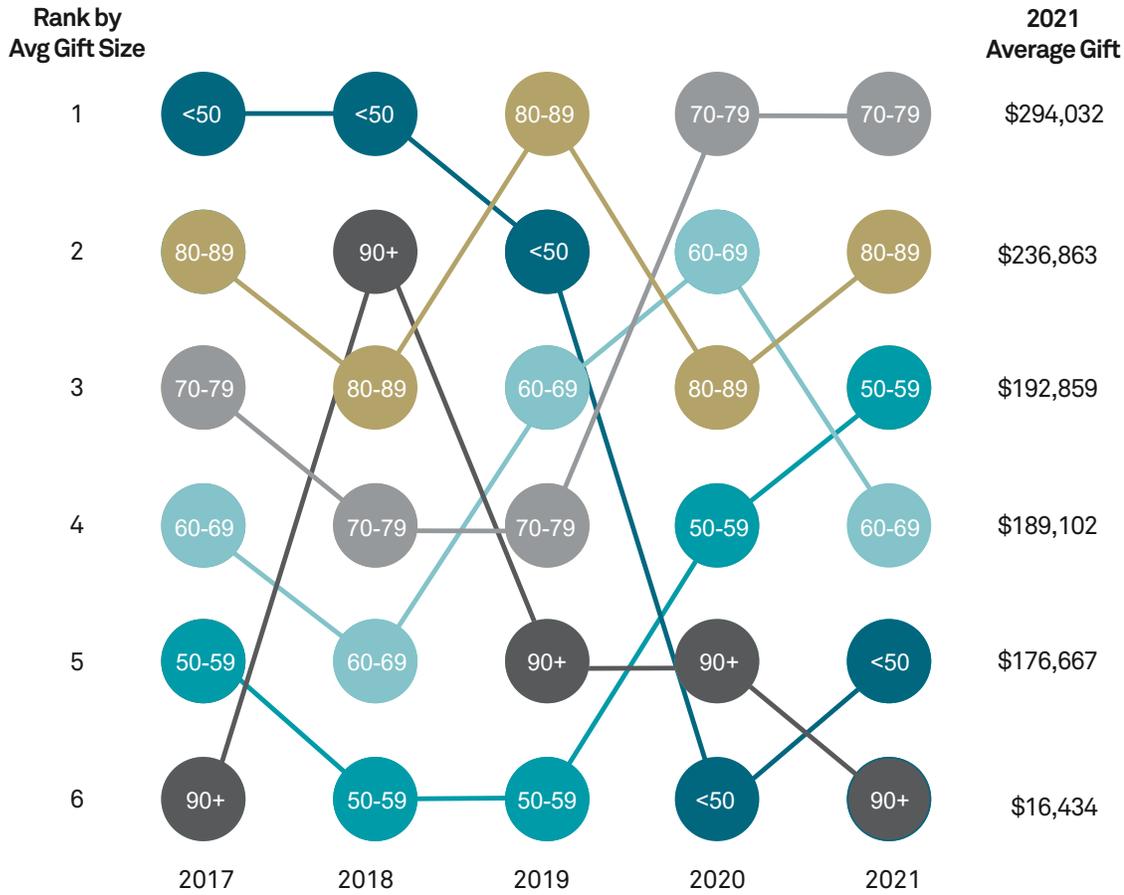
Key Takeaways and Tips:

- **Taxable** financial events are key drivers. With the majority of planned gifts still being funded with cash, focus on conversations about appreciated assets and ownership.
- **Wealth Managers** are the primary trusted advisor and are using CRTs to solve a tax problem.
 - Do you have a strategy for advisor connections?
 - Are you differentiating between the types of advisors and setting objectives for each group:
 - Specific expertise
 - Community influence
 - Existing organizational affinity
- Review gift acceptance policies including minimums.
- Does your charitable trust minimum take into consideration the long-term cost and expense?
- Consider a shift from conversations with annual gift donors to major gift donors.
 - Consider how to appeal to broader philanthropic charitable interests. There may be opportunities to engage a donor to address multiple charitable interests in a trust beyond a single organization.

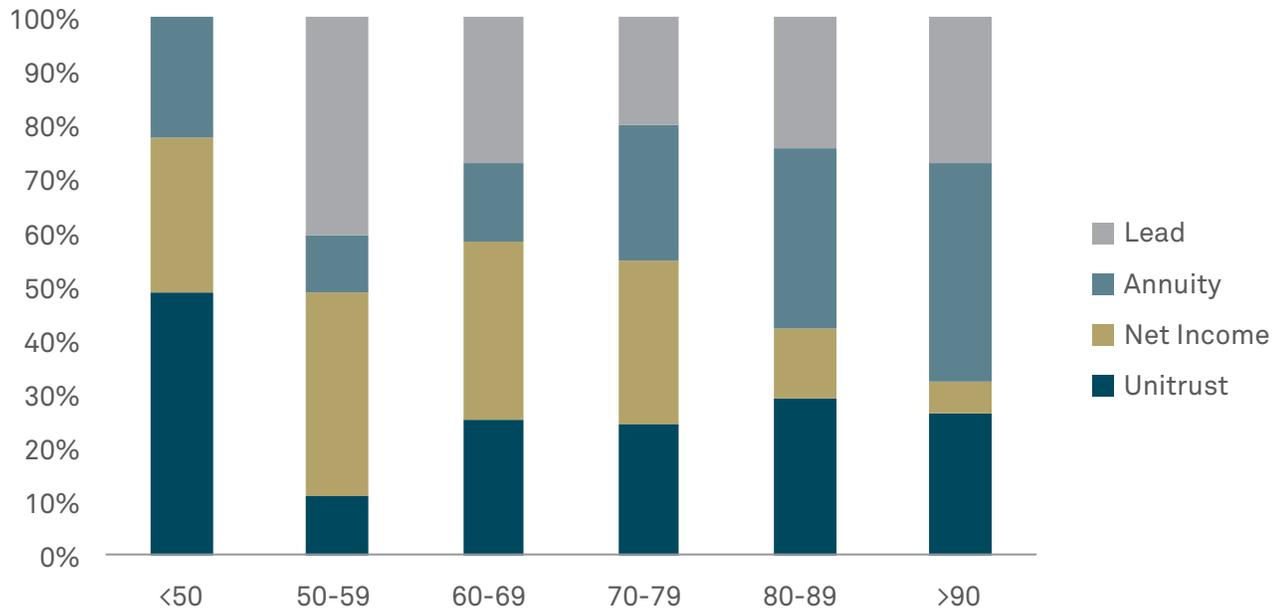
¹Analysis of all new accounts opened across BNY Mellon Wealth Management.

Trust Demographics

Trust Donors



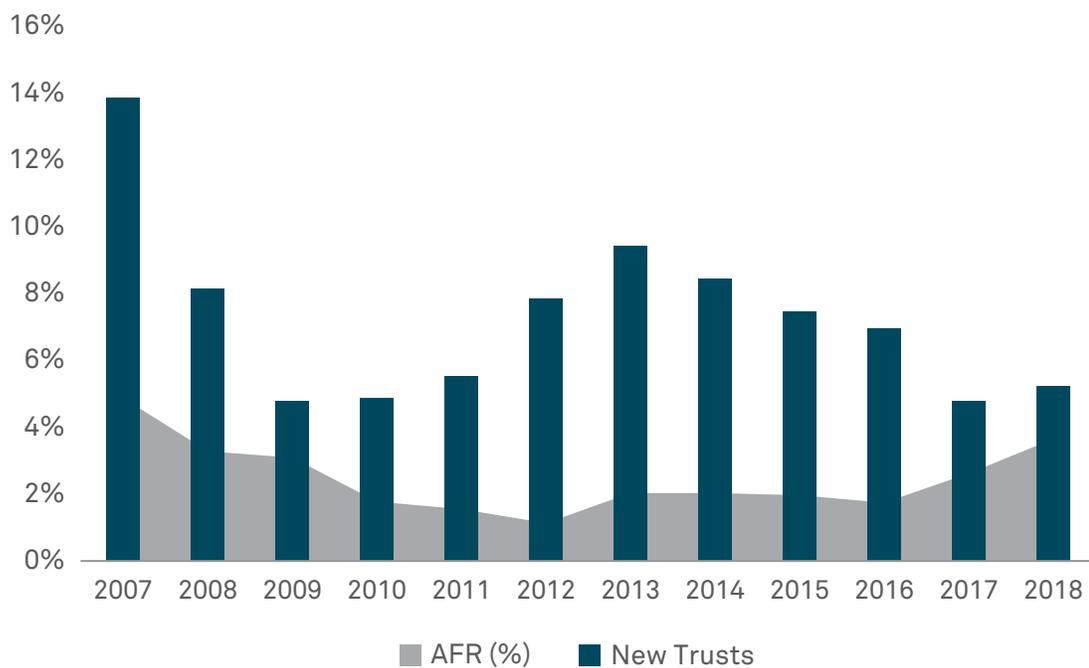
Type of Trust by Age of Donors at Gift (2006-2021)



Average Age by Type of Trust

	Uni	Annuity	Net Income	Lead
Average Age	76	79	71	75

Impact of the AFR on Trust Formation¹

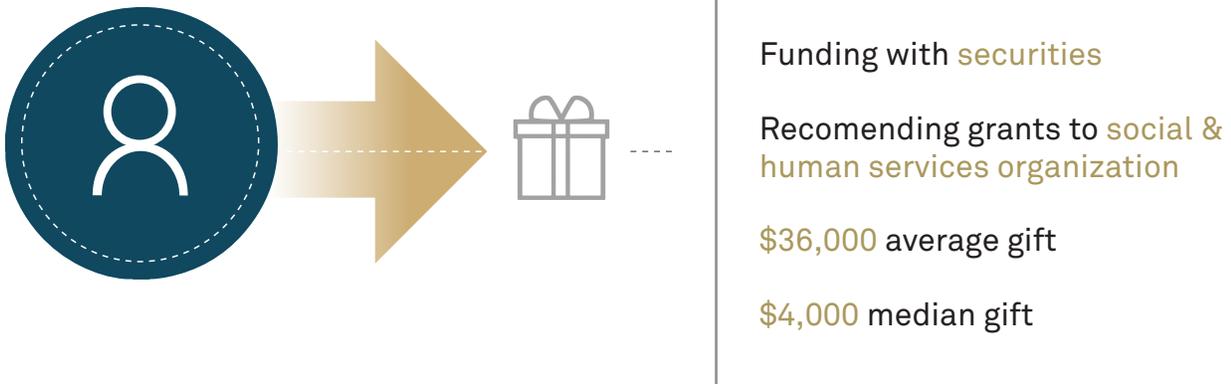


¹Data is a rolling 15 years based on current client base.

Donor Advised Funds



Donor Profile



Donor advised funds (DAFs) have long been popular with those who prefer a “check book” method of giving. The immediate charitable deduction, ease of funding, recommendation of grants to charity, and the flexibility to choose what causes to support and when, make DAFs a preferred option for charitable giving. According to the most recent data available from the National Philanthropic Trust, grants from DAFs totaled \$34.67 billion in 2020, a 27% increase over the previous corresponding period.

DAFs are also being used in creative estate and tax planning strategies to promote legacy, family and next generation giving, which historically have been factors in forming private foundations. One approach is to name a DAF as the charitable beneficiary of a Charitable Lead Annuity Trust (CLAT) or Charitable Lead Unitrust (CLUT), creating an opportunity for long-lasting engagement by naming children or grandchildren as successor advisors while training them on that DAF that is being funded over the life of the trust.

Trends in Donor Advised Fund Gift Activity

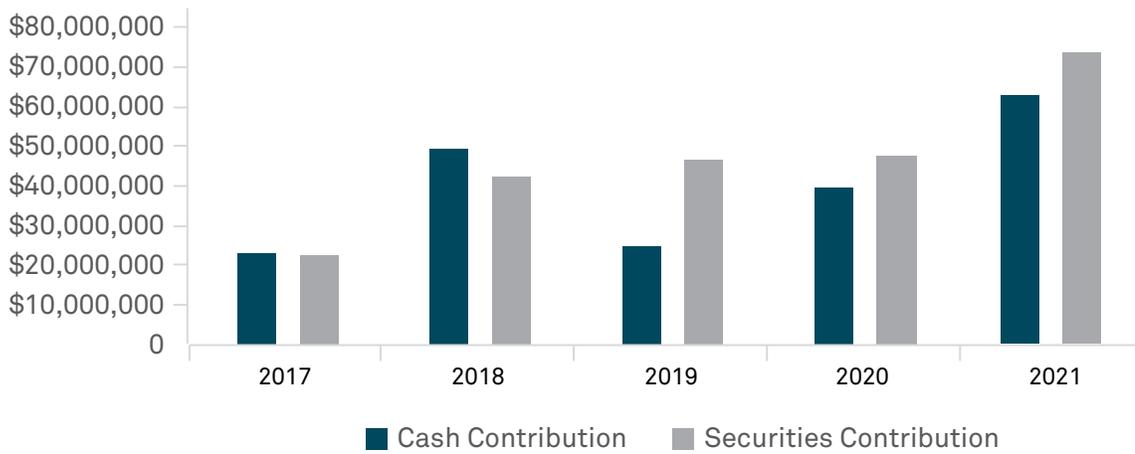
The BNY Mellon Charitable Gift Fund experienced record-level gift activity as measured in dollars, and other DAF sponsors saw increases in both gift and grant activity in 2021. This was likely fueled by a number of different but interrelated factors:

- The unprecedented scale and scope of grant activity in 2020 not only engaged previously dormant donors, but ultimately reduced DAF account balances.
- While grant volumes in 2021 remained high, the overall dollar value of grants was lower, perhaps a reflection of lower balances or donor fatigue.
- The financial markets continued to be strong, and highly appreciated assets made for optimal gifts to replenish DAF accounts.
- Renewed interest in regulating DAFs saw a number of proposals that could potentially change the way DAFs are structured and how they would distribute grants. This too may have been the impetus for some donors to either open new accounts or increase current DAF balances ahead of any changes.

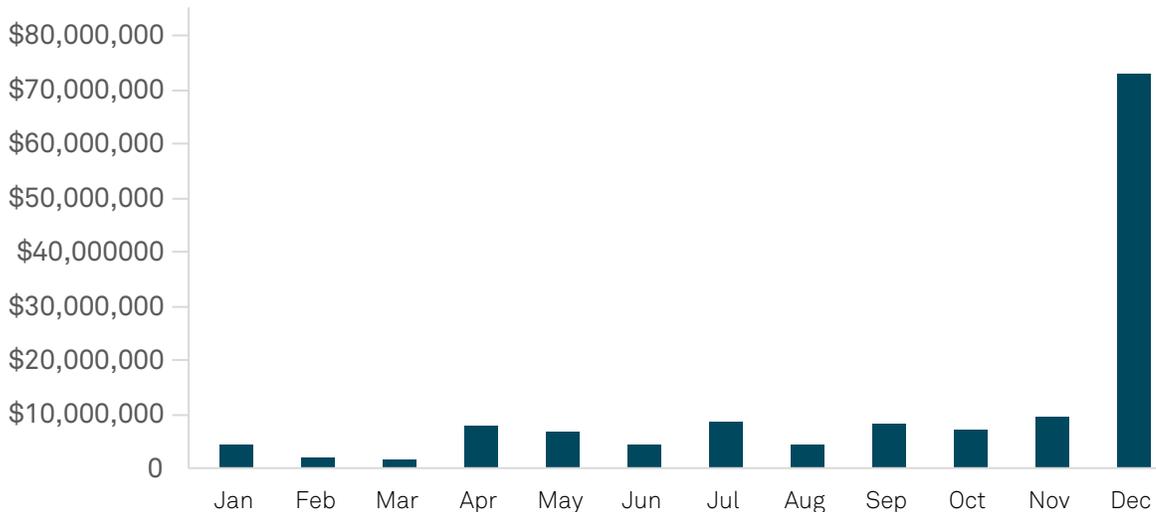
Gifts by Year

Gift Year	Gift Count	Gift Amount	Average Gift
2016	928	\$43,551,380	\$46,930
2017	1,800	\$45,899,783	\$25,500
2018	3,432	\$91,780,055	\$26,742
2019	3,115	\$71,272,899	\$22,881
2020	1,947	\$87,629,062	\$45,007
2021	3,760	\$136,350,103	\$36,263

Gifts of Cash vs. Securities



Gifts by Month for 2021



New vs. Existing Donors

The long-term structure of a DAF lends itself to repeat gifts from existing donors. In addition to flexibility and ease of use, DAFs are a valuable tool for ongoing philanthropic and tax planning.

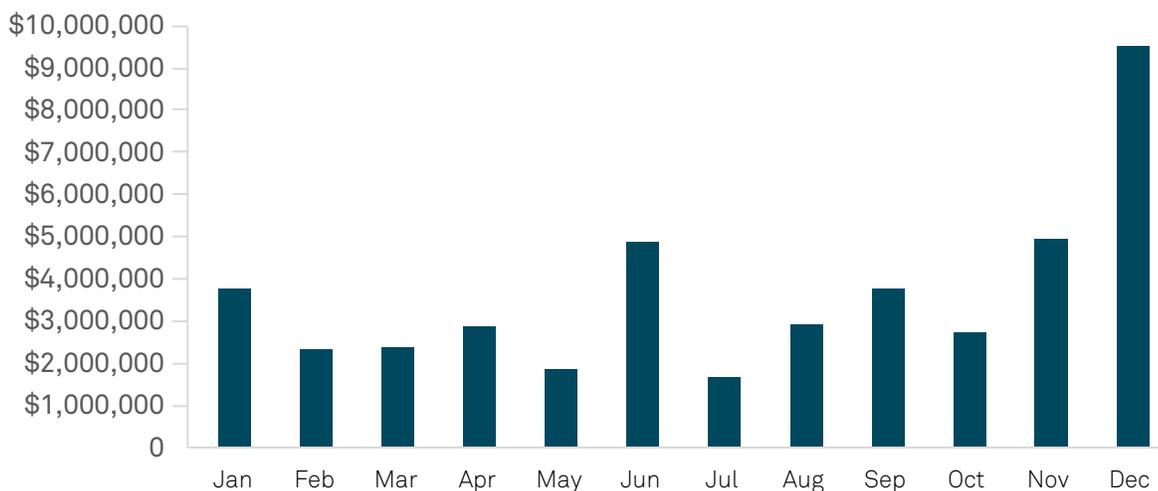
Trends in Grant Activity

Grant activity in 2021 for the BNY Mellon Charitable Gift Fund declined over the prior year. DAFs remain an important part of the philanthropic landscape. During times of economic uncertainty, when capacity for charitable giving may be limited, donors with DAFs are well positioned to provide critical funding to nonprofits when it's needed the most.

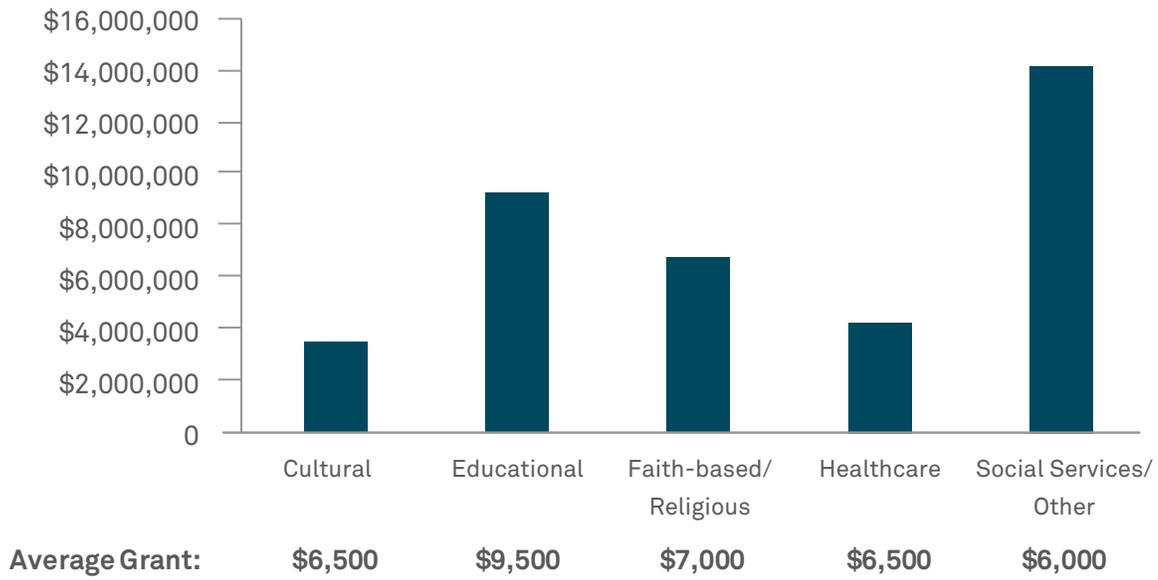
Grants by Year



Grants by Month in 2021



Grants by Recipient Organization in 2021



Charitable Giving Study

Key Takeaways

- Most high-net-worth investors have a giving strategy; many would consider one - Charitable giving is top of mind for most affluent individuals. Over half (56%) currently have a charitable giving strategy and 22% would consider adopting one.
- Charitable giving and overall wealth strategy go hand-in-hand - Charitable giving is woven into the fabric of wealth planning for most individuals, as 91% agree that a charitable giving strategy is a part of their overall wealth strategy.
- Expert advice and family input matter - Affluent investors value both expert advice, as well as input from family. Many have worked with their wealth advisor (63%) and family members (44%) in developing their giving strategy.
- It's personal - What motivates people to contribute? "Personal Satisfaction" and "Personal Connections" rank as the top two motivators of charitable giving.
- Investors want to be understood - Most investors (particularly Gen X and Millennials) want "my wealth advisor to understand my values."

High-net-worth Investors' Experience With and Attitudes Toward Charitable Giving

What are high-net-worth investors' behaviors, attitudes and experiences toward charitable giving? BNY Mellon Wealth Management set out to find the answers by surveying affluent U.S. investors in its inaugural Charitable Giving Study. The responses paint a vivid picture of what donors are thinking when it comes to charitable giving.

BNY Mellon Wealth Management partnered with Brown Yardley Research to conduct this charitable giving research study focusing on high-net-worth investors. The report surveyed 200 individuals with at least \$5 million in assets under management, across all generations and geographic regions. The study highlighted the following themes:

- Charitable giving strategy
- Motivations for giving
- Change in giving strategy
- Wealth advisor importance in regard to giving strategy
- Sustainable investing
- Types of assets given to charities
- Charitable giving vehicles

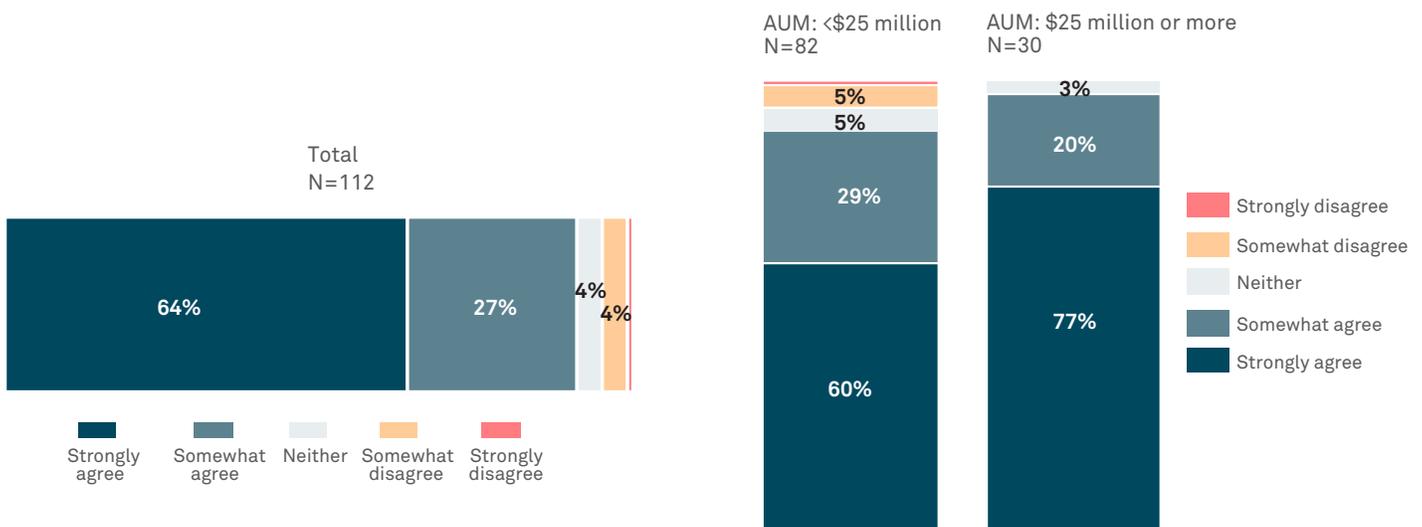
For more details and the complete list of findings, read our [Charitable Giving Study](#).

Charitable Giving as Part of Wealth Strategy

Nearly two-thirds (64%) agree that their giving strategy is a part of their overall wealth strategy. Those with higher AUM are more likely to say:

“My charitable giving strategy is a part of my overall wealth strategy.”

Based on those who currently have a charitable giving strategy



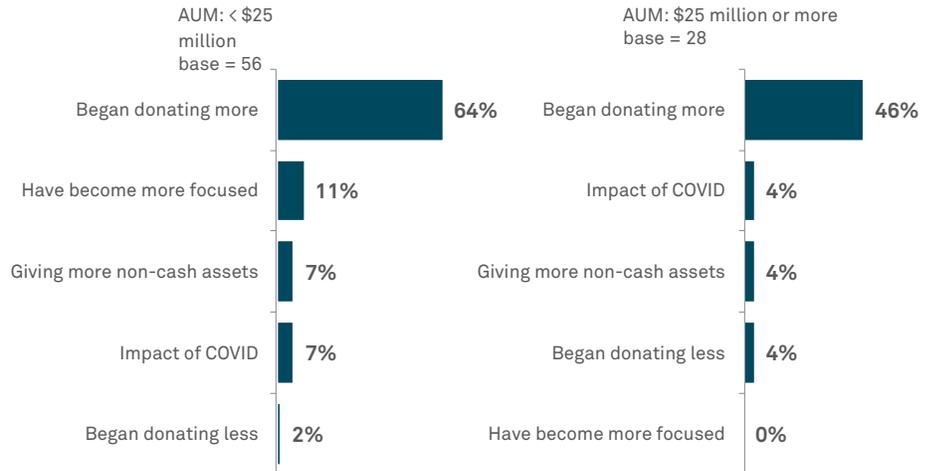
Changes in Strategy

Four in ten (42%) say their giving strategy has changed over the past two years. Both lower and higher AUM investors report they began donating more over the past two years.

% who say giving strategy has changed over the past two years
base = 200

42%

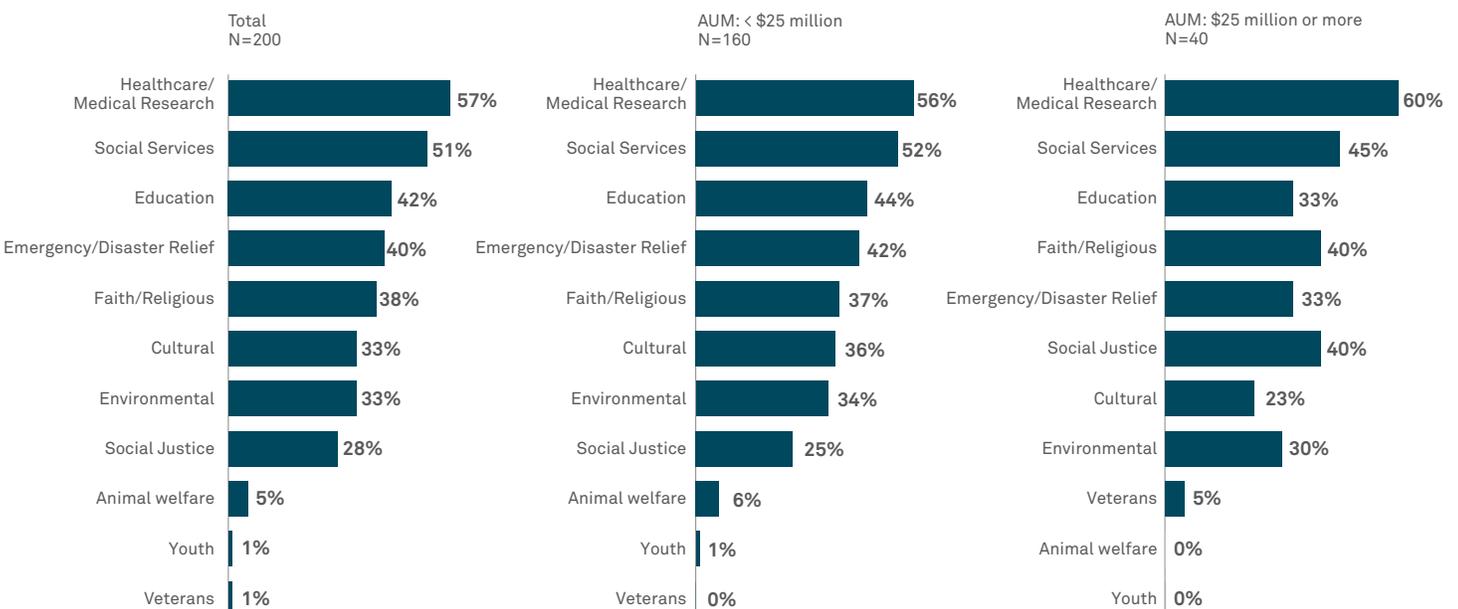
How giving strategies have changed [open-ended]
base = 84



Top Supported Causes

“Healthcare/Medical Research” tops the list of supported causes. “Social Services” (e.g., local social and human services organizations) rank second, followed by “Education.”

Types of organizations/causes typically supported
base = 200

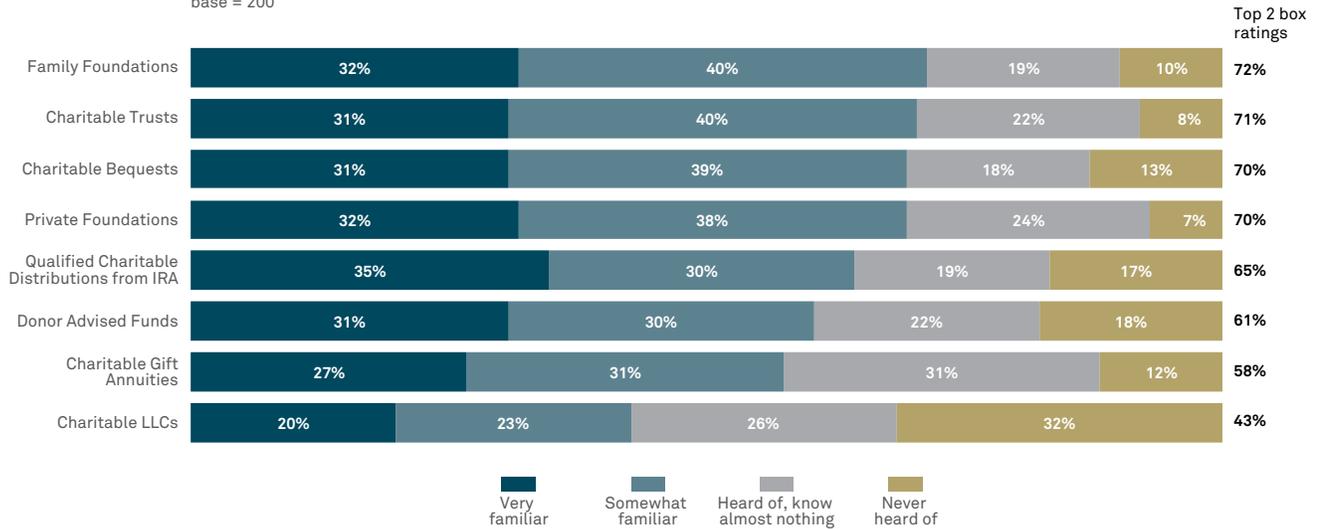


Familiarity with Giving Vehicles

Investors are most likely to be familiar with “family foundations” and “charitable trusts.” Investors with higher AUM are much more knowledgeable than those with a lower AUM.

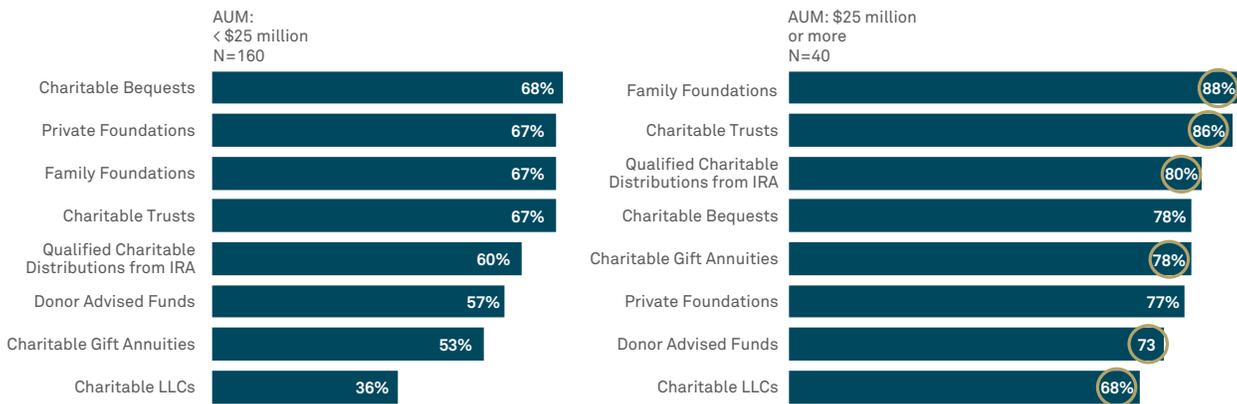
Familiarity with charitable giving vehicles

base = 200



Familiarity with charitable giving vehicles

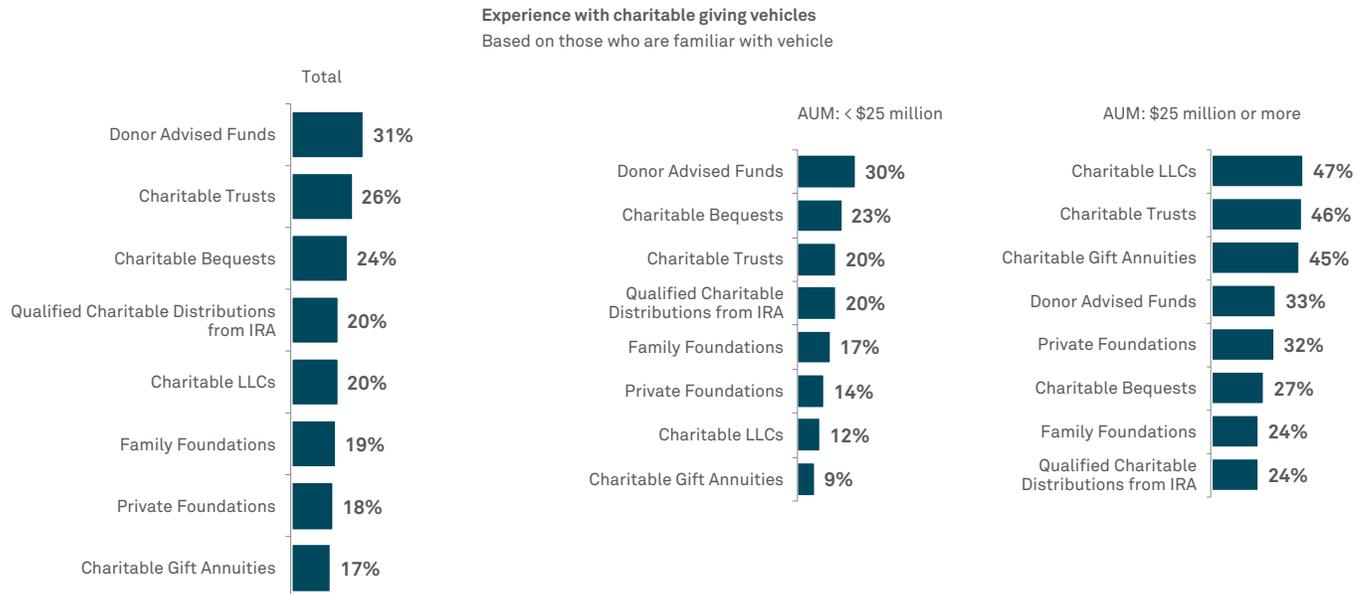
(based on “very familiar/somewhat familiar” ratings)



○ Significantly higher than AUM <\$25 million

Experience with Giving Vehicles

Overall, investors are most likely to be using Donor Advised Funds. Investors with higher AUM are more likely to be using charitable LLCs, charitable trusts and charitable gift annuities.



Reasons for Using Vehicles

The top reason for choosing:

- **Charitable Trust:** “to benefit the charity”
- **Qualified IRA:** “income/tax benefits” and “flexibility”
- **Donor Advised Fund:** “income/tax benefits” and “flexibility”
- **Charitable Gift Annuity:** “to benefit the charity” and “flexibility”
- **Charitable LLC:** “flexibility”
- **Private Foundation:** “to benefit the charity”
- **Family Foundation:** “to benefit the charity” and “maximize impact”
- **Charitable Bequest:** “simplicity”

Additional Resources

Lifetime Giving Strategies

To help facilitate conversations with donors, leverage educational guides on charitable gift annuities, charitable remainder trusts and charitable lead trusts in our summary on [Leaving a Legacy with Lifetime Giving Strategies](#).

These guides describe how each of these major gift types work and their distinct advantages and considerations. A summary table is also provided to compare all three strategies.

Underwater Gifts

Underwater gift annuities are common for charities of all types and sizes, and it's important to understand how to identify and manage these gifts to mitigate their financial, regulatory and reputational impact. Learning what causes a gift to go underwater can help a nonprofit make informed decisions and implement measures to reduce the risks within their control. To learn more, read our article on [Protecting Your Gift Annuity Program From "Underwater" Gifts](#).

Unlocking the Potential of Donor Advised Funds

As DAFs continue to grow in popularity, the key for nonprofits to tap into these assets is not to rely on potential legislative changes, but to become familiar with their mechanics, what makes them attractive to donors and the creative ways donors are using them. Explore strategies to leverage DAFs in our article, [Best Practices for Leveraging Donor Advised Funds](#).

High-net-worth Charitable Giving Study

BNY Mellon Wealth Management conducted its inaugural charitable giving research study focusing on high-net-worth investors experience with and attitudes toward charitable giving. For more details and the complete list of findings, read our [Charitable Giving Study](#).

2022 Capital Market Assumptions: Key Insights on Planned Giving

BNY Mellon's 2022 Capital Market Assumptions are used to construct expected return and risk estimates used to model a variety of portfolios, including life income vehicles. It's important to recalibrate assumptions in the years after the pandemic, as it will continue to have significant economic, social and financial impacts over the next decade.

Review the key finding of our [2022 Capital Market Assumptions: Key Insights for Planned Giving](#)

Seminars

Visit [BNY Mellon Wealth Management Webcast Series](#) to explore live and on-demand webcasts offering insights and advice across a broad array of topics including philanthropy, investments, markets and tax policy.

2022 Planned Giving Conference

Every year, BNY Mellon brings together charitable gift planning professionals, individuals on boards of nonprofit organizations and advisors working with nonprofit organizations for our annual Planned Giving conference. The event features keynote presentations, panel discussions, peer roundtables and insights from industry experts.

Contributors



Crystal Thompkins, CAP[®], CSPG^{CM}
Head of Philanthropic Solutions

Crystal is Head of Philanthropic Solutions for BNY Mellon Wealth Management. In this role, she leads and coordinates strategy for all of Wealth Management's philanthropic services, including individual and family philanthropy, institutional endowments and foundations, planned giving and donor advised fund services.

Crystal joined the firm more than 15 years ago in 2006 as a manager for the Planned Giving group in Greensboro, NC. She has more than 20 years of experience working with nonprofits, having started in tax preparation and later moving to client relationship management. She has a depth of knowledge in all aspects of gift planning and donor stewardship from her work with large, complex programs across all sectors, and provides insights on trends and best practices in support of nonprofit clients across the firm.

Crystal has been a frequent speaker at regional and national conferences and events and has published several articles and whitepapers. She has contributed her expertise to several media publications including Barron's, Penta, Worth, Financial Advisor Magazine, Planned Giving Report and Family Wealth Report. She is active in the nonprofit community and serves on several boards, including the Foundation Board of her alma mater, Winston-Salem State University.

Crystal received a bachelor's degree in accounting from Winston-Salem State University and is a Chartered Advisor in Philanthropy[®]. She is a member of the Partnership for Philanthropic Planning and serves on the boards of the American Council on Gift Annuities (ACGA) and the Winston-Salem State University Foundation.



David Hohler, CFA
Director of Investments, Planned Giving

David Hohler is the Director of Investments for the BNY Mellon Wealth Management's Planned Giving group, with over 15 years of investment management experience. David leads the team in working with clients to design, implement and actively manage their investment portfolios. He also provides counsel and advice on best practices regarding asset allocation, spending rates, investment policy, manager selection and performance evaluation.

David joined the firm in 2006. Prior to that, David worked at Frank Russell & Co. in Tacoma, WA. While at Russell, David served as manager of portfolio trading operations. In this role, he supervised the team responsible for the data management, cash flow monitoring, reconciliation, portfolio accounting and performance measurement of derivatives-based overlay and hedge strategies.

David received a bachelor's degree with a major in economics from the University of Delaware and a master's degree of business administration from Seattle University. David is a CFA Charterholder and a member of the CFA Society Boston.



Nicole Medeiros
Vice President, Senior Relationship Manager

Nicole is a Senior Relationship Manager for BNY Mellon Wealth Management's Planned Giving group and has more than 15 years of experience in finance and banking, including over a decade of planned giving experience. In this role, Nicole works directly with nonprofit institutions to manage the complex needs of their planned giving programs. She monitors and oversees all aspects of the gift management process, provides strategic solutions to help her clients grow their planned giving program, and delivers insight into industry trends.

Prior to joining the firm, Nicole was at Bank Rhode Island where she was a senior retail sales associate. In this role, she was responsible for maintaining client relationships by supervising client banking activity and other bank employees.

Nicole earned a bachelor's degree from Saint Anselm College. She is a member of the National Association of Charitable Gift Planners in addition to a member and former board officer of the local Rhode Island chapter.



John J. Monahan, CFA
Vice President, Senior Investment Officer

John is a Senior Investment Officer in BNY Mellon Wealth Management's Planned Giving group. In this role, he works directly with nonprofit clients to design, implement, and actively manage their planned giving portfolios to meet their needs as well as those of their donors and beneficiaries. John has been with BNY Mellon since 2017.

Prior to joining BNY Mellon, John spent nearly 15 years in the Securities Lending division at Brown Brothers Harriman & Co., serving as the lead EMEA and APAC trader on BBH's trading desk in the U.S. John worked closely with institutional clients to create and execute trading strategies to maximize revenue, and managed relationships with the prime brokerage community.

John received a bachelor's degree from Stonehill College with a major in Finance. John is also a CFA Charterholder, and a member of CFA Society Boston.



Susan Looney, CFTA
Vice President, Senior Relationship Manager

Susan is a Senior Relationship Manager for BNY Mellon Wealth Management's Planned Giving group. In this role, she works directly with nonprofit institutions to manage the complex needs of their planned giving programs. She oversees all aspects of the gift management process and provides solutions to help her clients grow their planned giving programs.

Susan joined the firm in 1987 and has more than 30 years of experience in trust administration and client service including over 15 years of planned giving experience. Prior to joining the Planned Giving group in 2001, she was a client relationship manager in the Wholesale Trust group where she was responsible for the delivery of client service to the client's trustee bank, trust donors and beneficiaries. She was also responsible for all facets of trust account administration.

Susan received a bachelor's degree from Wheaton College and is a Certified Trust and Financial Advisor. She is a graduate of the New England School of Banking Trust School, the National Trust School, and the National Graduate Trust School. Susan is member of the Planned Giving Group of New England and has served on their Executive Board.



Alexander Sherman
Lead Analyst, Client Reporting & Performance

Alex is a Lead Analyst, focused on client reporting and data analytics for BNY Mellon Wealth Management's Planned Giving group. In this role, he serves as the organization's expert on all reporting and data platforms used by the Philanthropic Solutions teams. He provides operational support to the client relationship and investment officers and is responsible for producing standardized and ad hoc reports. He specializes in developing automated reporting and analytics solutions. He works with corporate technology in developing client portal enhancements.

Prior to joining BNY Mellon in 2015, Alex served in an operational management role at State Street Bank and Trust, where he was responsible for process automation, risk control enhancement and efficiency initiatives.

Alex received his bachelor's degree from Bryant University with a concentration in finance.



Carlos S. Byrne, CAP®
National Director, Donor Advised Fund Services

Carlos Byrne is the National Director of Donor Advised Fund Services for BNY Mellon Wealth Management. In this role, he manages the team responsible for the oversight, investment management and administration of the BNY Mellon Charitable Gift Fund, a donor advised fund established in 2013. Carlos also provides expertise in support of institutional clients' donor advised funds and the Gift Fund's private label donor advised fund program. Carlos joined BNY Mellon in 1997 and previously served as a director of relationship management in the planned giving services group.

Carlos received a bachelor's degree from Cornell University, a master's degree from Baruch College (CUNY), and is a Chartered Advisor in Philanthropy®. He is a member of the National Association of Charitable Gift Planners (CGP) and was chair of the investment committee while serving on the CGP Board. Carlos is also a member of the Planned Giving Group of New England and served on its Executive Board.

About BNY Mellon Planned Giving



For 30 years, the Planned Giving group at BNY Mellon Wealth Management has advised nonprofits on strategies to manage and grow their planned giving programs. As a leading wealth management firm, we understand the motivations of donors and the complex philanthropic and estate planning approaches used to preserve wealth while giving back to the community. Leveraging these insights and the broad resources of BNY Mellon, our Planned Giving team offers comprehensive gift management, investment management, and donor and organizational support.

Our Clients

We work planned giving programs ranging from \$10 million to over \$300 million. Our clients include educational institutions and community foundations as well as faith-based, healthcare, cultural and social service organizations across the U.S.

Our Services

Gift Management

- Gift Processing
- Accounting
- Tax Reporting
- Fiduciary Services

Investment Management

- Strategic Asset Allocation
- Investment Excellence Across Asset Classes
- Customized Planned Giving Account Portfolio Construction
- Compliance and Risk Monitoring

Donor & Organizational Support

- Education and Training
- Gift Metrics and Client Benchmarking
- Complex Gift Support
- Industry Insights and Best Practices

Contact Us

To learn more about how BNY Mellon Wealth Management's Planned Giving Group can help, please contact:

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