



2017 Annual Report

 **FIDELITY** CharitableSM
Make more of a difference

At Fidelity Charitable, our mission is to grow the American tradition of philanthropy by providing programs that make charitable giving accessible, simple, and effective.

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A message from the Chair and the President



Alfred E. Osborne Jr.
Chair, Board of Trustees
Fidelity Charitable

Last year, women finding refuge from violence, homelessness or other crises at the YWCA Cass Clay in Fargo, North Dakota, were able to make use of a renovated kitchen as they worked to rebuild their lives. The kitchen was renovated thanks to a grant recommended by Fidelity Charitable donor Bob Scheel in response to the need in his own community. At the same time, in response to the devastation wrought by Hurricane Harvey and the floods in Louisiana, thousands of Fidelity Charitable donors recommended more than \$50 million in grants to provide relief.

As we reflect on the 2016-17 fiscal year, we're humbled by the collective generosity we observe among the more than 150,000 donors who use Fidelity Charitable's donor-advised fund program to make a difference in their communities and wherever there is a charitable need. And we're proud of the way Fidelity Charitable is helping to make impactful philanthropy possible. For example, our team of experts enabled the donation of the privately held stock to the Scheel family's Giving Account, which allowed them to contribute more than they otherwise could—and ultimately provide more support to the YWCA. The work we do to issue guidance for donors following a disaster, including in some cases identifying qualified charities working to ease the suffering of those affected, is another example.



Pamela J. Norley
President
Fidelity Charitable

This kind of assistance is core to how we deliver on our mission to make giving accessible, simple and effective. Last year, as donors took advantage of a strong economy to commit more to their giving for the present and future, prompting significant growth in our donor-advised fund program, we continued to invest in the technology, programs, services and expertise that enabled them to maximize that giving. In this report, we've spotlighted the services and support that underpinned the distribution of nearly \$4 billion to charity last fiscal year, from providing expert support to facilitate donations of non-publicly traded assets to publishing materials that help aid donors in their giving.

At the same time, we know effective philanthropy requires a strong, thriving nonprofit sector—and we're committed to helping ensure this is a reality. In the 2016-17 fiscal year, we granted nearly \$5 million directly through our Fidelity Charitable Trustees' Initiative. A grantmaking program overseen by our trustees—entirely separate from our donor-advised fund program—the Trustees' Initiative makes capacity-building grants to nonprofits serving underserved communities, providing funding for some of their most essential needs for operational effectiveness and growth. In addition, the Trustees' Initiative is a significant supporter of projects, programs and nonprofits that create a stronger philanthropic and nonprofit infrastructure, investing in a high-performing nonprofit sector and informed donor base.

As we look ahead, we are guided by our mission to make giving accessible, simple and effective. We firmly believe that smart giving is a powerful tool in our collective effort to do good and shape a better tomorrow for all people. We thank our donors for their generosity and commitment to philanthropy.

About Fidelity Charitable

For the past 26 years, Fidelity Charitable has been working to grow giving by making it accessible, simple and effective. We make it easy for donors to leave a lasting impact with philanthropy—in particular, through our donor-advised fund program, the largest in the country, but also through our many publicly available resources and tools designed to elevate information and conversations about giving.

Donor-advised funds help democratize the giving tools that were once limited to those with the resources to establish and maintain a private foundation. Instead, Fidelity Charitable has streamlined the process of strategic giving for a broad range of donors, allowing them to contribute many types of assets and plan their giving more systematically, maximizing their generosity. As we've worked to support an ever-growing number of donors in making an impact, Fidelity Charitable became the nation's largest charity by contributions received during a year, in the 2016 Philanthropy 400 ranking. We are also a leader in grantmaking—donating nearly \$4 billion in donor-recommended grants to charity in the most recent fiscal year.

A detailed analysis of donor-recommended grantmaking is available on a calendar-year basis in the Fidelity Charitable Giving Report at [FidelityCharitable.org/givingreport](https://www.fidelitycharitable.org/givingreport).

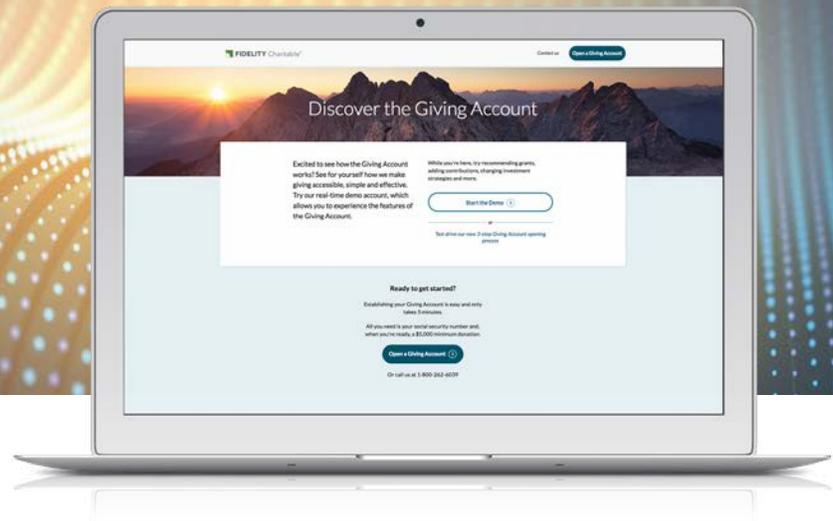
Supporting grantmaking

Fidelity Charitable is one of the country's largest grantmaking organizations, issuing more than 930,000 individual grants totaling \$3.8 billion in fiscal year 2016-17. These grants range from simple to incredibly complex multimillion-dollar grants and are distributed to charities in all 50 states and internationally.

Fidelity Charitable aims to support and facilitate grantmaking among all its donors, providing the administrative infrastructure and support that can enable giving at scale.

We work behind the scenes in many ways to ensure a seamless giving process.

- We review an average of more than 1,000 grants a day to ensure they are directed to IRS-qualified charities for charitable purposes.
- We provide dedicated relationship managers and granting specialist support to members of our Private Donor Group—significant philanthropists with \$1 million or more to give—advising on grant recommendations and facilitating connections with nonprofits.
- We facilitate the swift delivery of all granted funds to the intended charities, including through electronic funds transfer. Funds granted through Fidelity Charitable are free of transaction fees.
- We maintain an online grantmaking portal that removes friction from the giving process. Examples include enabling donors to preschedule recurring grant recommendations, to make a grant recommendation to previously supported nonprofits with a click of a mouse and to efficiently select and support new nonprofits.



SPOTLIGHT:

Technology for giving at the speed of now

At Fidelity Charitable, growing giving means harnessing the power of technology. In contrast to giving overall, nearly 90 percent of grant recommendations are made online via our online granting platform, accessed through each Giving Account’s individual dashboard. It’s purposefully designed to make it easy to grant with the click of a button on any device, including mobile phones and tablets—no fumbling for address information required.

Charities also have the option to sign up for Fidelity Charitable’s electronic funds transfer program, so grant funds can be disbursed as rapidly as possible and put to work. The disbursement to charities is completely free of transaction fees. Additionally, donors can easily see not only how much they gave last year to any particular nonprofit or issue area but also how their impact has added up over time—motivating reflection and a more strategic approach to giving.

In the 2016–17 fiscal year, Fidelity Charitable made numerous enhancements to its online platform to ensure security and ease of use and to make the giving experience seamless for donors. These included updates to the charity search data to make it even easier for donors to find up-to-date information on charities of interest.

**SPOTLIGHT:**

Supporting responsive philanthropy and disaster relief

Financial support is the most effective means to help an area or region affected by a disaster recover, not only in the immediate aftermath but also in the months and years ahead. In the 2016–17 fiscal year, donors responded generously to disasters that spanned Hurricane Matthew to the ongoing Syrian refugee crisis, recommending more than 3,700 grants totaling nearly \$13 million.

However, disasters are also a prime opportunity for fraudsters preying on the good intentions of those wanting to help. Following a disaster, we provide resources on our website to help the public respond to the crisis, often including a list of reputable charities confirmed to be working directly on recovery efforts. In every case, we confirm that any grant is going to a charity in good standing with the IRS and require that the charity accepting the funds certify that they will be used for charitable purposes.

Enabling more funds for charity

Giving is an emotional decision, but it is also a financial decision. Too often, donors are not able to give as generously as they might like simply because they are not taking advantage of the smartest strategies for planning and managing their giving.

Fidelity Charitable is committed to removing barriers that get in the way of donors' maximizing their contributions to charity. For example, we make it as simple as possible for donors to donate the most tax-smart asset. We also provide educational resources and counsel to advisors to help them better assist their clients with questions about philanthropy. Additionally, our investment programs allow the committed charitable funds in Giving Accounts themselves to grow, creating the potential for even larger gifts.

Fidelity Charitable works to increase the amount of funding committed to supporting charity in several ways.

- Providing almost 30 separate investment options that can allow the dedicated charitable funds in Giving Accounts to grow tax-free and support donors' short and long-term philanthropic goals. This year, funds available for giving increased by \$1.6 billion due to the investment programs offered by Fidelity Charitable.
- Expert counsel for financial advisors seeking to support their clients' philanthropic objectives. Our regional network of charitable planning consultants, as well as educational resources such as webinars, have reached thousands of financial advisors.
- Direct facilitation of contributions of non-cash assets, ranging from publicly traded stock to real estate. Fidelity Charitable's team of in-house experts has provided complimentary consultation that has helped to enable the donation of more than \$3 billion of complex-to-donate assets such as private business shares—contributions that are liquidated and then put to use for grantmaking.



SPOTLIGHT:

Growing giving begins with better advice

In the 2016–17 fiscal year, Fidelity Charitable launched its Charitable Practice Management program for financial and wealth advisors, designed to elevate their level of knowledge and expertise about philanthropic strategies. Through free tools and resources, consulting services and educational events, some providing continuing education credit, the program ensures that every financial advisor has access to a solid foundation of information about philanthropy, improving both their ability to serve their clients and the likelihood that donors will have a meaningful conversation about giving with their advisor. “Our hope is that we can provide the needed support to aid advisors in initiating knowledgeable conversations about philanthropy with their clients, increasing opportunities for this important dialogue—and increasing giving, as well,” says Krystal Kiley, who leads the practice management program.

SPOTLIGHT:

Tapping into bitcoin for giving

It’s often more advantageous for donors to make a direct donation of appreciated assets, such as stock and real estate, than it is to sell the asset and provide cash. As cryptocurrencies like bitcoin have become more prevalent, Fidelity Charitable in the 2016–17 fiscal year began facilitating contributions of bitcoin to allow donors to easily tap into the appreciation in their holdings to support charitable giving. As of June 30, Fidelity Charitable had liquidated and converted into funds for grantmaking more than \$16 million in bitcoin contributions.



Boost Your Giving IQ outlines four simple steps to make donors' giving more satisfying and more effective. Visit [FidelityCharitable.org/smarter-giving](https://www.fidelitycharitable.org/smarter-giving).

Making giving more effective

When philanthropic resources are matched with the right projects and nonprofits, the results can be transformative for the donor, the charity, and the communities, individuals and causes those organizations serve. But much giving in America today falls far short of this ideal.

Fidelity Charitable is helping close this gap between giving as it is and giving as it should be. Through research, guidance and programming, Fidelity Charitable not only provides its own donors with resources to help them give more effectively, but it also makes many of these tools broadly available to all who may benefit from them.

Our efforts to help all donors maximize their potential for impact take many forms.

- Hosting or sponsoring events, webinars and programs to provide forums for learning and connections.
- An online curriculum in smarter giving, *Boost Your Giving IQ*, available to all who wish to improve their giving experience.
- Conducting and publishing original research that aims to advance knowledge of donor behaviors and motivations.
- Creation and distribution of educational content and resources on effective giving via our website, FidelityCharitable.org and free newsletter, *Giving Strategies*.

**SPOTLIGHT:**

Giving the next generation of philanthropists a leg up

The changing face of giving means that in many families, younger generations are becoming involved in philanthropy earlier. And for many families establishing giving traditions for the first time, younger generations are playing a role right from the start in defining and shaping the family approach to giving. In 2017, Fidelity Charitable hosted its second Next Gen Fellow Program. Offered to member families in the Private Donor Group—a program for donors with Giving Accounts of \$1 million or more, the Next Gen Fellows Program brings together young philanthropists ages 18 to 40. It provides both a hands-on learning curriculum and peer support built around the notion of values-based philanthropy, giving attendees the chance to explore both their personal giving strategies and role in family giving. “We believe that the more that the next generation has the opportunity to learn together about approaches to making philanthropy effective—and the more they are aware of what resources are available to them—the more likely they are to make a significant impact with their giving,” says Elaine Martyn, head of the Private Donor Group.



SPOTLIGHT:

Insights into American giving



Making giving more effective begins with understanding the motivations, interests, habits and knowledge gaps of American donors. Fidelity Charitable has made a significant investment over the past several years in research designed to provide insight into American giving. In the 2016–17 fiscal year, Fidelity Charitable released *The Future of Philanthropy*, a study of more than 3,000 donors that examined how individual giving is changing among different generations. Additional studies included a study, *Women and Giving*, that explored the motivations and giving approaches of Baby Boomer and Millennial women, as well as the role of gender in giving and a study on how couples make giving decisions. Finally, Fidelity Charitable provides analysis based on the aggregated actions of its 150,000 donors in its *Fidelity Charitable Giving Report*. As donor-advised funds have increased in number and impact, this trove of data can provide a nearly real-time view into donor behavior.

Fidelity Charitable Trustees' Initiative

The Fidelity Charitable Trustees' Initiative is a grantmaking program of Fidelity Charitable separate from its donor-advised fund program. The Fidelity Charitable Trustees' Initiative mission is to expand giving and advance the nonprofit and philanthropic sectors through:

- Capacity-building grants that improve the effectiveness of nonprofits that support underserved communities to help them better meet their mission; and
- Underwriting research, tools, guidance and forums that increase the knowledge and information for the nonprofit sector as a whole or to aid donors in making smarter decisions.

Since its inception, the Fidelity Charitable Trustees' Initiative has granted over \$20 million.



Total 2017
grantmaking
impact:
\$4.94 million

FIDELITY CHARITABLE TRUSTEES' INITIATIVE

Capacity-building grants for underserved communities

New grants: \$1.5 million

Capacity-building grants that improve the effectiveness of nonprofits that support underserved communities to help them better meet their mission

How can nonprofits grow and thrive? Fidelity Charitable believes healthy nonprofits require investment, not just in their programs but also in the systems, training and capabilities that underpin the functioning of a high-performing organization.

In fiscal year 2016–17, the Fidelity Charitable Trustees' Initiative made 15 new grants to assist charities supporting underserved communities.



EXAMPLE:

Feeding America

With a nationwide network of member food banks, Feeding America is the largest domestic hunger-relief organization in the country. Fidelity Charitable provided funding for 20 Feeding America member food banks to upgrade their technology platforms, enabling them to more efficiently source and move food to where it is needed—as well as reducing costs and eliminating redundancies. The upgrade is an essential step toward Feeding America’s goal of providing more than 5 billion meals annually by 2025. “Fidelity Charitable’s investment in food bank IT capacity will have a significant impact on food bank efficiency and effectiveness,” says Lisa Jericho, senior vice president of technology at Feeding America. “With Fidelity Charitable’s commitment, grantee food banks will be able to serve more meals to the communities they serve.”

EXAMPLE:

mothers2mothers International

mothers2mothers is an international nonprofit operating across eight African countries. It employs and trains HIV-positive women to serve as community health care workers and peer mentors. These “Mentor Mothers” prevent mother-to-child transmission of HIV and deliver health advice to entire families. The Fidelity Charitable Trustees’ Initiative provided funding to support the creation of a state-of-the-art training center in the organization’s Cape Town, South Africa, headquarters with video capabilities that will allow the charity to expand its reach. “We have already trained hundreds of Mentor Mothers and staff in this new facility—each of whom will go on to impact thousands of lives in their communities and countries,” says Frank Beadle de Palomo, president and chief executive officer of mothers2mothers.





SPOTLIGHT:

How a financial accounting system helped with response to the Ebola crisis

Last Mile Health is a community health organization operating in Liberia that has launched an award-winning model of providing health care to remote communities. The organization also responded to the Ebola outbreak, where community health workers helped educate communities, trace contacts and contain the spread of the virus. In 2014, the Fidelity Charitable Trustees' Initiative made a grant to Last Mile Health to help it develop and strengthen three key internal processes, including the implementation of a new financial management and reporting system that would allow for better compliance controls. This new financial and reporting system ensured Last Mile Health was eligible to qualify for and obtain U.S. Agency for International Development funding for the first time, helping the organization respond to and rebuild after the Ebola outbreak, and allowing it to grow its organizational budget in the years to follow.

FIDELITY CHARITABLE TRUSTEES' INITIATIVE HUMAN SERVICES GRANTS FY 2017

GRANTEE	PURPOSE OF GRANT
Businesses United in Investing Lending and Development	Development of a one-year licensed partnership model
Compass Working Capital Inc.	Data security analysis and tools
Feeding America	Technology upgrade and repair flood damage in Baton Rouge member food bank
Genesys Works	Update technology tools for internship management
Global Fund for Children	Website redesign and functionality enhancements
Global Fund for Women Inc.	Pilot a capacity assessment tool for movement building
Goodwill Industries of Southern California	Implementation of a new inventory and production system
Invest in Kids	Implementation of a technology-based coaching platform
Last Mile Health	HR systems and internal information portal
mothers2mothers International Inc.	Create a state-of-the-art training center



FIDELITY CHARITABLE TRUSTEES' INITIATIVE

Supporting the philanthropic and nonprofit sectors

New grants: \$2.5 million

Underwriting research, tools, guidance and forums that increase knowledge and information for the nonprofit and philanthropic sectors as a whole or to help donors make smarter decisions.

Our core belief at Fidelity Charitable is that philanthropy is a powerful tool for shaping a better world. But unlocking the potential of philanthropy requires an informed and inspired donor base and a deep bench of high-performing nonprofits.

In fiscal year 2016-17, the Fidelity Charitable Trustees' Initiative made 15 new grants to create stronger philanthropic and nonprofit sectors.



EXAMPLE:

New Profit

New Profit is a national nonprofit venture philanthropy fund with a mission to break down the barriers that stand between people and opportunity in America. New Profit has supported and helped scale organizations like Family Independence Initiative, a nonprofit that facilitates and incentivizes peer support among low-income families so they can work individually and collectively to lift themselves out of poverty, a strategy that has proven effective. Fidelity Charitable Trustees' Initiative provided a grant to support a financial accounting system for New Profit to drive greater operational efficiencies. "The completed implementation of the new system has significantly streamlined our financial and grant operations," says Ian Magee, the chief financial officer of New Profit. "Additionally, the funding will allow us to integrate our donor management system with our accounting system, which will allow for even greater efficiency."

EXAMPLE:

Nonprofit Finance Fund

Nonprofit Finance Fund® (NFF®) advances missions and social progress in underserved communities through financing, consulting, partnerships and knowledge sharing. A leading Community Development Financial Institution, NFF currently manages over \$310 million and has provided almost \$700 million in financing and access to additional capital since its founding in 1980. Fidelity Charitable Trustees' Initiative provided support for NFF's initiatives on diversity, equity and inclusion, helping the organization more effectively serve diverse borrowers and consulting clients, and measure the impact of these efforts. "NFF aims to be a powerful voice in discussions about the trajectory of the social sector in an increasingly diverse country," says Antony Bugg-Levine, CEO of NFF. "We are deeply grateful for Fidelity Charitable's support in helping us make that happen."





SPOTLIGHT:

Promoting a culture of collaboration among nonprofits

BoardSource is a leading resource for both nonprofits and donors, providing valuable educational tools and guidance to ensure top-quality governance for nonprofits. The Fidelity Charitable Trustees' Initiative has funded a project with BoardSource to create a stronger toolkit for boards and nonprofits considering mergers and strategic partnerships. "A strategic alliance can be a powerful way to unlock new potential for impact by bringing organizations with complementary strengths and capacities together in a unified strategy," says Anne Wallestad, president and CEO of BoardSource. "This funding is helping nonprofit boards explore those opportunities and start thinking big about the opportunities that long-term partnership can create."

FIDELITY CHARITABLE TRUSTEES' INITIATIVE PHILANTHROPIC SUPPORT GRANTS FY 2017

GRANTEE	PURPOSE OF GRANT
Associated Grant Makers Inc.	General operating support
Beneficent Technology Inc.	Marketing and brand alignment
BoardSource	Nonprofit collaboration initiative; board diversity and inclusion initiative
The Bridgespan Group Inc.	Sponsor biannual survey on nonprofit management tools and trends
California Association of Nonprofits	Operating expense for student debt program
Center for Disaster Philanthropy Inc.	General operating support
Charity Navigator	General operating support and change management
Colorado Nonprofit Association	Online knowledge program
The Draper Richards Kaplan Foundation	Capacity building
Exponent Philanthropy	General operating support
Forefront	General operating support
Forum of Regional Associations of Grantmakers	Public policy/philanthropy education and professional development training
FoundationsCenter	Technology upgrade for GrantSpace
Giving USA Foundation Inc.	Research on donor-advised fund giving
GreatNonprofits	Technology upgrades for SMS text functionality
GuideStar USA Inc.	General operating support for internal technology infrastructure
Minnesota Association for Volunteer Administration	Support for 2017 National Summit on Volunteer Engagement Leadership
National Council of Nonprofits	General operating support
New Profit Inc.	Financial accounting enhancements
Nonprofit Finance Fund	Diversity and inclusion initiative
Smithsonian Institution Office of the Comptroller	National Museum of American History Philanthropy Initiative programming and online platform
Social Venture Partners Boston	Development and implementation of a fundraising training program
Southern California Grantmakers	Expand online community; staff training and development
TechSoup Global	Consulting to develop new business model; Financial modeling and new capital offering
Trustees of the University of Pennsylvania	Sponsor Center for High Impact Philanthropy research briefs and year-end giving guide

Fidelity Charitable Statements of Activity

	YEAR ENDED JUNE 30, 2017	YEAR ENDED JUNE 30, 2016
Donor contributions	\$6,834,013,677	\$4,076,302,537
Investment and other income	\$317,627,576	\$418,070,179
Total revenues	\$7,151,641,253	\$4,494,372,716
Grants to charitable organizations	\$3,764,811,986	\$3,198,923,613
Operating expenses	\$70,013,060	\$74,346,292
Total grants and expenses	\$3,834,825,046	\$3,273,269,905
Excess of revenues over grants and expenses	\$3,316,816,207	\$1,221,102,811
Net realized gain (loss) on investments	\$205,825,006	\$286,664,357
Net realized gain (loss) on foreign currency transactions	\$37,163	\$93,478
Increase (decrease) in remainder interest of Fidelity Investments Charitable Gift Fund's Pooled Income Fund	\$2,513,768	\$520,126
Net change in unrealized appreciation (depreciation) on investments	\$1,584,651,420	(\$746,200,844)
Net change in unrealized appreciation (depreciation) on other assets and liabilities in foreign currencies	\$1,200	(\$1,513,281)
Change in net assets	\$5,109,770,438	\$759,439,439
Number of Giving Accounts	93,521	82,539
Net assets, beginning of year	\$16,015,824,008	\$15,256,384,569
Net assets, end of year	\$21,125,594,446	\$16,015,824,008

Pooled Income Fund Statements of Changes in Net Assets

	YEAR ENDED JUNE 30, 2016	YEAR ENDED JUNE 30, 2015
Net investment income	\$2,488,634	\$2,612,758
Net realized gain (loss) on investment	(\$251,780)	(\$278,411)
Net change in unrealized appreciation (depreciation) on investments	\$4,242,123	\$3,988,959
Net increase (decrease) in net assets resulting from operations	\$6,478,977	\$1,654,612
Distribution to beneficiaries	(\$2,870,640)	(\$3,007,804)
Distribution to Fidelity Charitable	(\$2,165,363)	(\$3,826,147)
Contributions received	\$947,920	\$1,296,727
Net increase (decrease) in net assets resulting from unit transactions	(\$4,088,083)	(\$5,537,224)
Total increase (decrease) in net assets	\$2,390,894	\$7,191,836
Net assets beginning of year	\$79,307,599	\$86,499,435
Net assets at end of year	\$81,698,493	\$79,307,599
Units issued	\$80,438	\$109,065
Units redeemed	(\$179,286)	(\$313,429)
Net increase (decrease)	(\$98,848)	(\$204,364)

Fidelity Charitable Board of Trustees



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Chair, Board of Trustees
Fidelity Charitable



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