



2019 Annual Report

For the fiscal year ended June 30, 2019

 **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

When Marsha Bukala, an insurance worker in Chicago, began to lose her vision two years ago, she feared a future of dependence and isolation. Her concerns have been eased by a guide dog—which was provided to Marsha free of charge by the nonprofit Guide Dogs for the Blind, thanks to support from Fidelity Charitable.

Fidelity Charitable donor Kathy Wentworth, a retired junior high school teacher, is among the donors who have recommended grants to the nonprofit to cover the training and other costs for providing the service that has helped Marsha—about \$100,000 per dog. She's also an active volunteer for the organization.

We are grateful for the opportunity to provide innovative options and support for Giving Account donors like Kathy—helping them to make more of a difference for the issues that matter to them most. Over the 2019 fiscal year, Fidelity Charitable had \$6.1 billion in grantmaking impact, supporting 146,000 charities across the country with 1.4 million individual grants.

To encourage active grantmaking, we've continued to work to equip donors with the tools they need, from technologies that make giving seamless to knowledge resources that make giving more effective. Usage of our Fidelity Charitable iPhone app, which allows donors to access their Giving Account balances and recommend grants on the go, has increased—with grants initiated through the app increasing by 37 percent in FY 2019. Our newly launched Donor Guidance Program increases our menu of personalized resources for helping donors craft a more effective, strategic approach to giving, while we've also continued to expand and test options available to our donors for impact investing.

We remain equally committed to supporting traditional grantmaking in times of disaster through resources that help identify qualified charities on the ground providing aid. When a series of hurricanes, tsunamis and earthquakes caused suffering in North America and around the world in 2018 and 2019, our donors stepped in with \$23.8 million in recommended grants.

As we look ahead, we are guided by our mission to grow the American tradition of giving by making it accessible, simple and effective. We are inspired by the generosity and commitment of our donors to create powerful positive momentum around the world and do good.



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



Pamela J. Norley
President
Fidelity Charitable

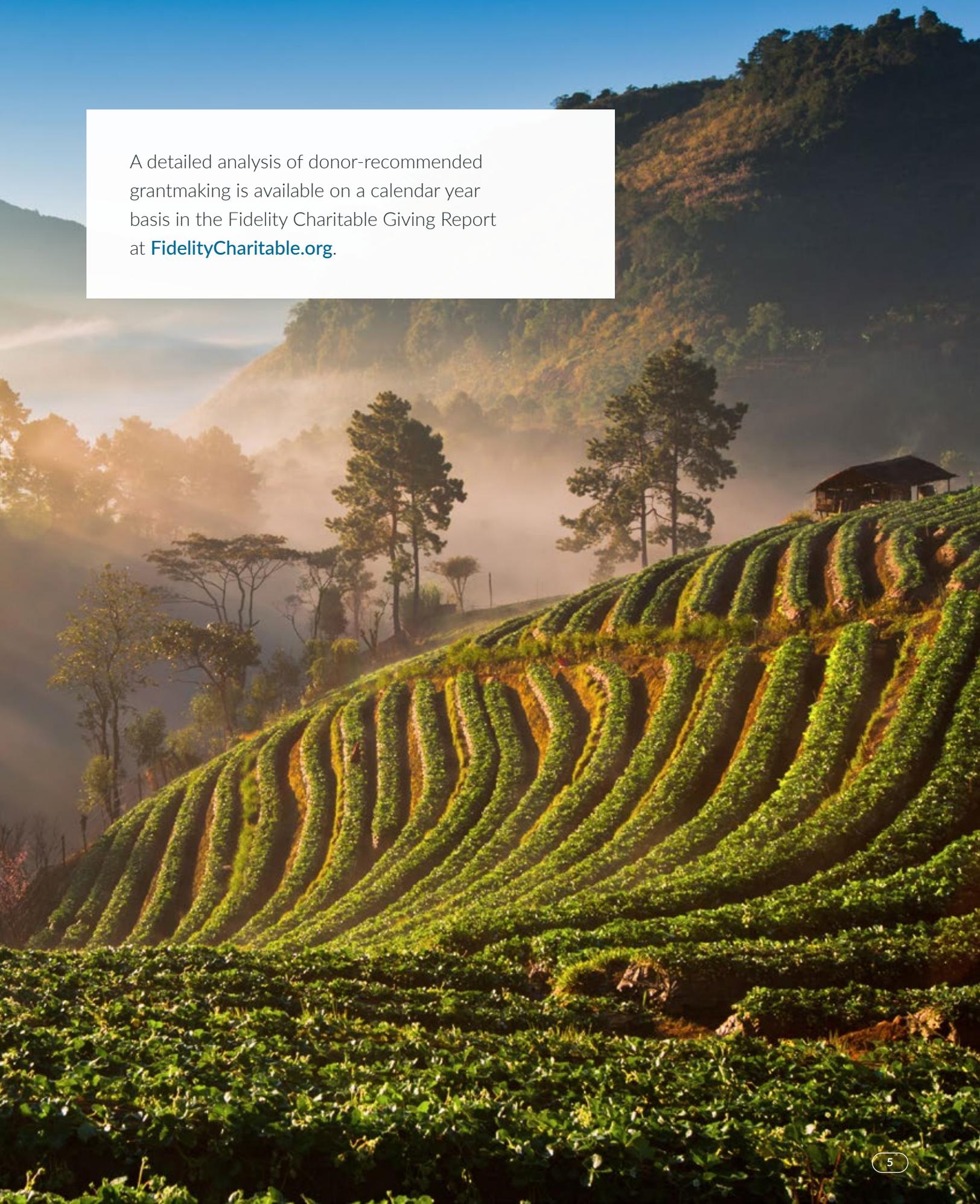


About Fidelity Charitable

Since 1991, Fidelity Charitable has worked to grow charitable giving by making it accessible, simple and effective. Driven by this core mission—and fueled by our donors' overwhelming generosity—Fidelity Charitable reached a new milestone in FY 2019: surpassing \$6 billion in donor-recommended grants and becoming the nation's largest grantmaker. But our work is far from complete, and we continue to strive every day to build better tools, provide smarter giving guidance and reach more donors who wish to make an impact on the world through philanthropy.

Our aim is to provide the robust tools and expertise that make it easy for all donors to leave a lasting impact. Our donor-advised fund program democratizes philanthropy—putting powerful giving solutions in the hands of donors at all giving levels. When you combine passionate donors with the tools and information to make smart giving decisions, the result is an unstoppable force for good in the world. This special formula fueled a record-breaking 1.4 million donor-recommended grants in FY 2019—supporting organizations in every state and around the world.

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



Making charitable giving *accessible*

Democratizing charitable giving is the idea of making strategic philanthropic solutions available to all donors who wish to make a difference. We believe in the transformative effect of putting better solutions in the hands of more donors.

- More donors than ever are choosing Fidelity Charitable to manage their giving strategically. With nearly 16,000 new Giving Accounts established last year, the Fidelity Charitable community is now comprised of 209,000 generous donors.
- Fidelity Charitable has created one of the most accessible donor-advised fund programs in the country, with a Giving Account opening minimum of \$5,000 and a grant recommendation minimum of only \$50.
- In addition to providing powerful tools and technology, we believe that the educational resources that help donors make smarter decisions should also be available for all. Throughout the year, we publish many publicly available resources and tools designed to elevate information and conversations about giving.



SPOTLIGHT

Delivering granted funds quickly

To enable the swift delivery of granted funds, charities can enroll to receive electronic funds transfers (EFTs) from Fidelity Charitable. These transactions allow nonprofits to receive granted funds more quickly and efficiently than paper checks and reduces administrative time and cost by streamlining data delivery and reporting and improving accuracy.

In FY 2019, we made enhancements to our EFT capabilities that further simplify the process for charities, including a more easily accessible online enrollment process. We also initiated a robust outreach effort to drive awareness of the program among the nonprofit community. These adjustments have driven a surge of charities enrolled in the program—allowing us to efficiently disperse grants to more nonprofit organizations.

Making charitable giving *simple*

As the largest grantmaking organization in the country, Fidelity Charitable made 1.4 million grants in fiscal year 2019, totaling more than \$6 billion. With this record-breaking amount, our donors made ripples across the nonprofit sector, supporting 146,000 charities in all 50 states and around the world.

In order to facilitate this significant impact, we focus on providing simple and powerful tools. That way, donors can concentrate their attention on the causes they care most about—and we handle the rest.

- At Fidelity Charitable, our aim is to provide a simple donor experience—and a diligent one. Behind the scenes, we reviewed an average of 3,800 grant recommendations per day to ensure funds were directed to IRS-qualified charities for charitable purposes.
- With 92 percent of our grant recommendations initiated online, it is essential that we create a simple, powerful digital experience. To that end, we made many technological updates to our digital portal last year. For example, in order to put more relevant information at our donors' fingertips, we launched a tracker for grant recommendations so that donors can understand the current status of their grants—from internal due diligence to delivery to the nonprofit. In addition, several design enhancements put the donor's contribution and grantmaking history front and center upon log-in.
- Our mobile app provides an easy way for donors to monitor their Giving Account balances and recommend grants anytime and anywhere. And more donors are taking advantage of giving on the go: grant recommendations initiated through the mobile app increased 37 percent in FY 2019.



SPOTLIGHT

Streamlining philanthropic giving for disaster relief

Disaster relief demands quick response—balanced by informed decision-making to ensure that aid reaches those who need it.

In FY 2019, our donors took action in the face of crises around the globe, recommending nearly 6,000 grants totaling more than \$23 million dedicated to disaster relief. When Hurricanes Florence and Michael left chaos in their wake, our donors recommended more than \$8.7 million in grants to help ease suffering and rebuild. When wildfires ravaged California, donor support for relief efforts totaled more than \$2.4 million.

And when our donors step up, we do, too. During times of crisis, donors with good intentions can be taken advantage of by opportunists. In the wake of each disaster, Fidelity Charitable provided key resources and giving guidance on our website to help donors ensure charitable dollars reached those in need for both short- and long-term recovery.

Making charitable giving *effective*

At Fidelity Charitable, we take it as our responsibility to maximize each donor's generosity to its greatest potential. Making the decision not only to give, but to give *smarter*, can make all the difference to the charities donors support and the causes these organizations serve. To enable more effective giving, Fidelity Charitable offers several important programs.

- Fidelity Charitable offers 23 investment options—including four sustainable and impact investing pools—that can allow Giving Account funds to grow tax-free. This year, funds available for giving increased by \$1.6 billion due to the investment programs offered by Fidelity Charitable.
- Giving long-term appreciated stock and other non-cash assets is often more efficient than giving via cash or credit cards, but it is difficult for many charities to accept these donations. Fidelity Charitable facilitates these contributions with a dedicated team of in-house experts that provides complimentary consultation to donors who wish to make these strategic donations. Last fiscal year, donors contributed a record-breaking \$1.3 billion in non-publicly traded assets—which were then liquidated and made available for grantmaking.
- Our Private Donor Group program offers dedicated relationship managers to support those donors with higher Giving Account balances. With 662 grants of \$1 million or more last year, our philanthropic specialists provided strategic grantmaking guidance and custom research reports to this group.
- In addition to directly helping donors become more effective philanthropists, we also work with financial advisors who wish to integrate charitable giving into their practice. Through our advisor Practice Management program and our regional network of charitable planning consultants, we provide on-demand educational opportunities and one-on-one consulting support for financial advisors who serve philanthropic clients.



SPOTLIGHT

Boosting effective giving through personalized donor guidance

While many Giving Account donors come to us with clear ideas of where and how they want to make an impact, a growing number are looking for resources to help them shape a granting strategy. In addition to the materials freely available on our website and the dedicated resources available to our most generous donors through our Private Donor Group, we launched a new program in FY 2019 that continues to expand donors' options for hands-on philanthropic support.

The new Donor Guidance Program offers a menu of fee-based personalized resources for more effective giving. That means donors can now choose to work with our experts across a plethora of focus areas and in a variety of settings.

One-on-one, we can help donors evaluate the impact of their charitable dollars, research nonprofits or specific issue areas, develop a holistic philanthropic plan or help involve their family in their giving.

For those interested in thinking through philanthropy with peers, our new interactive workshops lead donors through a series of thought-provoking questions, group exercises and discussion to uncover their core philanthropic values and sharpen their giving strategy.

SPOTLIGHT

Impacting the future through values-based investing

The goal of impact investing is to achieve key social and environmental benefits that are important to the donor, while also generating financial returns. With interest in impact investing on the rise, Fidelity Charitable offers multiple ways for donors to align their investment choices with their values. For example, more than \$1 billion in Giving Account funds are currently invested in impact options such as Fidelity Charitable's four impact investing pools while donors determine which organizations to support with their grant recommendations.

In FY 2019, our team continued to explore new ways to provide donors with impact investing opportunities. January 2019 kicked off a pilot program with impact investing platform CapShift to broaden the field of impact options.

CapShift's platform connects Fidelity Charitable donors with a wider variety of impact investment options for their Giving Account dollars. Donors can choose from a menu of public and private impact investments and use the CapShift portal to manage and monitor these investments. Early adopters have supported causes like health care and microfinance, with impact themes running the gamut from the environment to food accessibility.

Statements of Financial Position

As of June 30, 2019 and 2018

Assets	2019	2018
Cash and cash equivalents	\$1,033,564,718	\$632,024,548
Investments, at fair value (cost \$26,037,066,487 and \$22,860,686,429 respectively)	28,849,250,183	25,503,857,626
Contributed assets held, at fair value (cost \$950,200,240 and \$718,403,422, respectively)	1,060,008,027	736,004,369
Foreign currencies held (cost \$49,772 and \$47,036, respectively)	49,870	47,040
Receivable for investments sold	32,642,914	52,024,206
Dividends and interest receivable	10,096,235	7,891,812
Receivable for contributed assets sold	16,470,365	6,099,855
Receivable for tier price credit	11,171,892	10,724,815
Fidelity Investments Charitable Gift Fund's Pooled Income Fund	77,082,540	79,839,571
Total assets	\$31,090,336,744	\$27,028,513,842

Statements of Financial Position, continued

As of June 30, 2019 and 2018

Liabilities and Net Assets	2019	2018
Accrued expenses	\$26,242,874	\$24,655,183
Payable for investments purchased	49,757,392	23,222,081
Obligations to deliver securities	234,313	3,611,123
Discount for future interest in Fidelity Investments Charitable Gift Fund's Pooled Income Fund	27,615,039	30,945,667
Other payables	9,756,718	3,106,433
Total liabilities	\$113,606,336	\$85,540,487

Net Assets	2019	2018
Without donor restrictions	\$30,927,262,907	\$26,894,079,451
With donor restrictions	49,467,501	48,893,904
Total net assets	30,976,730,408	26,942,973,355
Total liabilities and net assets	\$31,090,336,744	\$27,028,513,842

Statements of Activity

	Year ended June 30, 2019	Year ended June 30, 2018
Donor contributions	\$8,550,169,316	\$9,035,902,327
Investment and other income	568,847,793	422,233,039
Total revenues	9,119,017,109	9,458,135,366
Grants to charitable organizations	6,060,740,009	4,798,368,744
Administrative fees	72,495,491	63,908,100
Investment management fees	22,702,755	18,182,187
Professional fees	4,172,419	1,000,774
Other expenses	4,879,170	2,341,844
Total grants and expenses	6,164,989,844	4,883,801,649
Excess of revenues over grants and expenses	2,954,027,265	4,574,333,717
Net realized gain (loss) on investments	788,828,098	573,756,805
Net realized gain (loss) on foreign currency transactions	(4,357)	(9,215)
Net realized gain (loss) on in-kind distributions	29,113,017	—
Increase (decrease) in remainder interest of PIF	573,597	397,531
Net change in unrealized appreciation (depreciation) on investments	261,219,339	668,900,649
Net change in unrealized appreciation (depreciation) on other assets and liabilities in foreign currencies	94	(578)
Change in net assets	4,033,757,053	5,817,378,909
Number of Giving Accounts	126,958	114,245
Net assets, beginning of year	26,942,973,355	21,125,594,446
Net assets, end of year	\$30,976,730,408	\$26,942,973,355

Fidelity Charitable Board of Trustees

The Fidelity Charitable Trustees' Initiative is a direct grantmaking program, separate from the Fidelity Charitable donor-advised fund, whose mission is to expand giving and advance the nonprofit and philanthropic sectors. The [2019 Impact Report](#) gives a detailed look at the Trustees' Initiative grantmaking strategy and grant recipients in FY 2019.



**Alfred E. Osborne Jr.,
PhD**



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To learn more about the Fidelity Charitable Giving Account,
visit our website at FidelityCharitable.org or call us at 1-800-262-6039

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