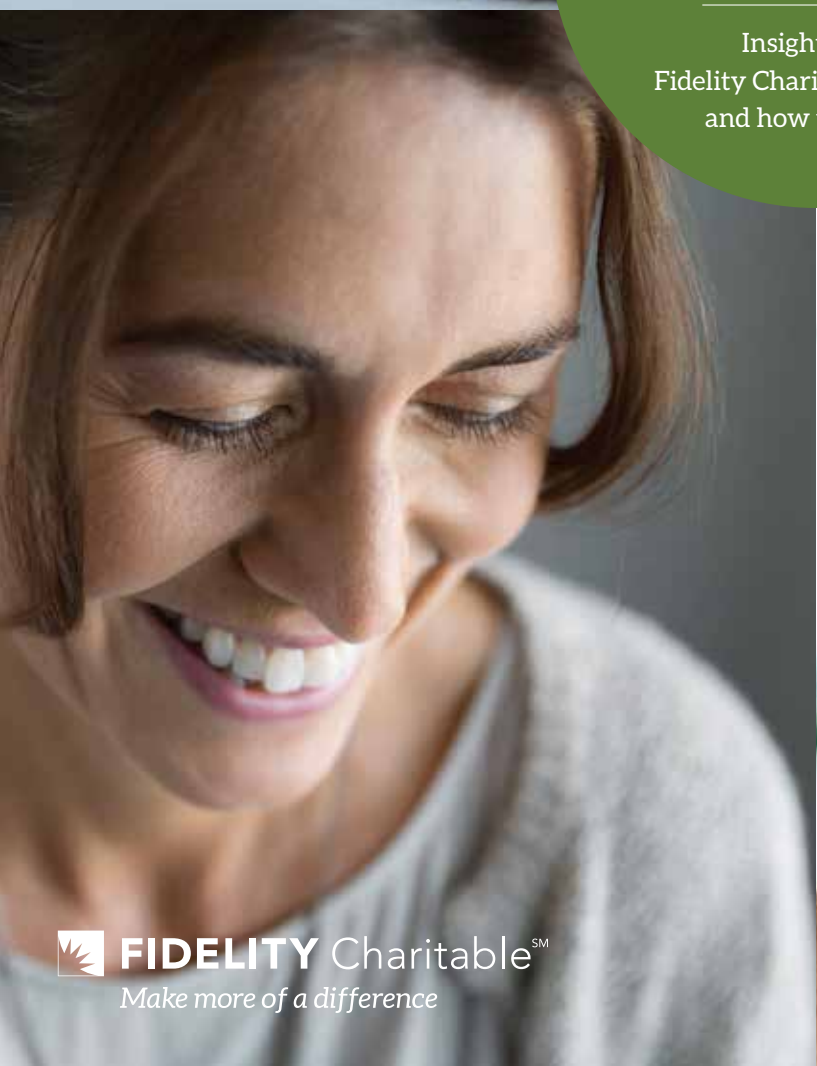




2018  
GIVING  
REPORT

Insights into  
Fidelity Charitable® donors  
and how they give



## Executive summary

**Fidelity Charitable® today is the nation's second-largest grantmaker behind the Bill & Melinda Gates Foundation,<sup>1</sup> propelled by the collective generosity of nearly 180,000 donors who actively use their Giving Accounts. Last year, Fidelity Charitable made a record 1 million donor-recommended grants, totaling \$4.5 billion. These grants supported more than 127,000 charitable organizations in every state and around the globe.<sup>2</sup>**

As more people use donor-advised funds to plan their giving, their impact on the charitable sector has grown. But many other trends influencing philanthropy also emerge in this report. Not only are donors increasingly using efficient, tax-effective means to plan their giving, particularly in light of 2017 market and economic conditions, but more and more people are also giving in response to issues and events they see around the world.

## Key insights into our donor activity include:

**In 2017, donors recommended a record number of dollars to charity, reflecting a continued dedication and active commitment to giving.**

- Fidelity Charitable made more than 1 million donor-recommended grants, totaling \$4.5 billion, 25 and 27 percent year-over-year increases.
- Fidelity Charitable made 505 grants of \$1 million or more, a 25 percent increase from the previous year.
- Donors' growing commitment to strategic giving is further reflected in increasing popularity of donor-advised funds; last year, Fidelity Charitable welcomed more than 30,000 new donors who together established more than 21,000 new Giving Accounts.

**A robust market and changing economic conditions fueled the creation of additional dollars for charity.**

- Many donors use donor-advised funds to donate appreciated assets, such as stocks, which can allow donors to give more to charity than by donating cash. Sixty-one percent of 2017 contributions to Fidelity Charitable were non-cash assets.
- Non-publicly traded assets, such as restricted stock, limited partnership interests, and real estate, constituted \$916 million in 2017 donations to Fidelity Charitable. This includes \$69 million in donations of cryptocurrency, such as bitcoin, a nearly tenfold increase from the previous year.
- These donations generated dollars for charity that potentially would not otherwise be available to give.
- On average, three-quarters of donors' contribution dollars are granted within five years of receipt.
- Additionally, robust market conditions created investment growth that provides additional dollars for charity. Since inception, Giving Account® investment growth has generated an additional \$6 billion in charitable dollars available for grants.

2 <sup>1</sup> Based on a comparison of Fidelity Charitable grant dollars with the grants made by private, corporate and community foundations, as listed in the Foundation Center's "Top 100 U.S. Foundations by Total Giving" list.

<sup>2</sup> The "2018 Fidelity Charitable Giving Report" is based on data from Fidelity Charitable's internal reporting database, unless otherwise indicated.

## | Introduction

Donors continue to use their Giving Accounts as a “ready reserve” for responsive philanthropy; a surge in natural disasters late in 2017 led to an outpouring of donor support.

- Natural disaster charities saw significant movement on the top nonprofit list in 2017, fueled by donor response to natural disasters such as the Atlantic hurricanes and California wildfires.
- More than 20,000 Giving Accounts supported disaster relief causes last year; in total, Fidelity Charitable gave nearly \$60 million through more than 21,000 donor-recommended grants in support of disaster relief causes.
- Giving in response to current events and public policy also influenced the top nonprofit list, as certain charities focused on environmental causes and civil rights grew in donor support.
- However, the overall shape of donor giving remained consistent—education is the top charitable sector by grant dollars, and religion by volume. Seventy-one percent of grants went to charities that donors had previously supported.

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## What is a donor-advised fund?

A donor-advised fund is a charitable account sponsored by a public charity that donors use to support their charitable giving. A donor-advised fund, called a Giving Account® at Fidelity Charitable, makes it easier for donors to plan their giving and be more strategic, maximizing their generosity. Donors can contribute many types of assets, advise how those assets are invested for growth and provide even more support to charities over time.

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### Establishing and using a donor-advised fund



#### Donors make a tax-deductible donation,

A donor can give cash, stocks, real estate or non-publicly traded assets to Fidelity Charitable or another public charity that sponsors a donor-advised fund program. The charity establishes a donor-advised fund in the donor's name, and the donor can make additional contributions at any time.



#### ... grow the donation tax free

While donors decide which charities to support, their donations can potentially grow based on how they recommend them to be invested. At Fidelity Charitable, donors can recommend an investment strategy that aligns with their goals and time horizons for giving through investment pools or investment advisor-managed accounts.



#### ... and support charities.

Donors can support any IRS-qualified public charities with the money in their donor-advised funds. Before making a grant, Fidelity Charitable conducts due diligence on recommendations to ensure the funds will be used for charitable purposes.

# FIDELITY CHARITABLE DONORS

## Donors are part of a growing philanthropic community.

Donor-advised funds are the fastest-growing way to give in the United States,<sup>3</sup> reflected in the continued growth of new Giving Accounts at Fidelity Charitable. Over the last decade, the number of Giving Accounts has more than doubled; between 2016 and 2017 alone they grew 20 percent. This growth means the Fidelity Charitable community now comprises nearly 180,000 donors.



179,804

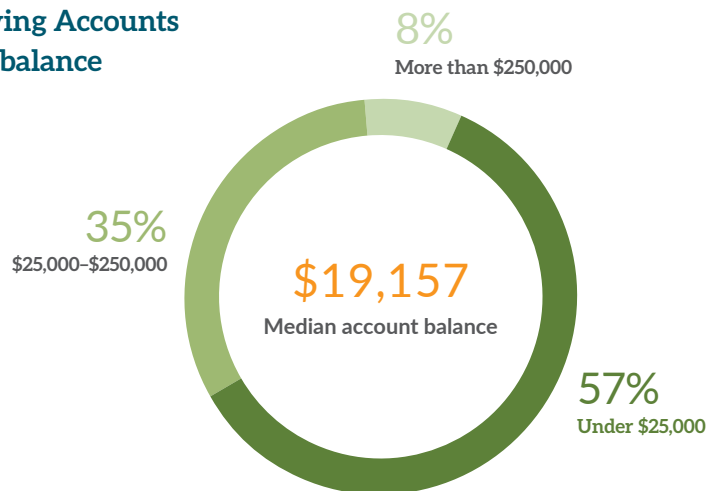
Number of donors in 2017<sup>4</sup>



## Giving Account balances reflect a range of donor giving.

With low administrative costs relative to other giving vehicles, Giving Accounts are used by donors across the wealth spectrum to achieve their charitable goals. Most Giving Accounts have balances under \$25,000; just 8 percent have balances of more than \$250,000.

### Giving Accounts by balance



<sup>3</sup> National Philanthropic Trust, "2017 Donor-Advised Fund Report."

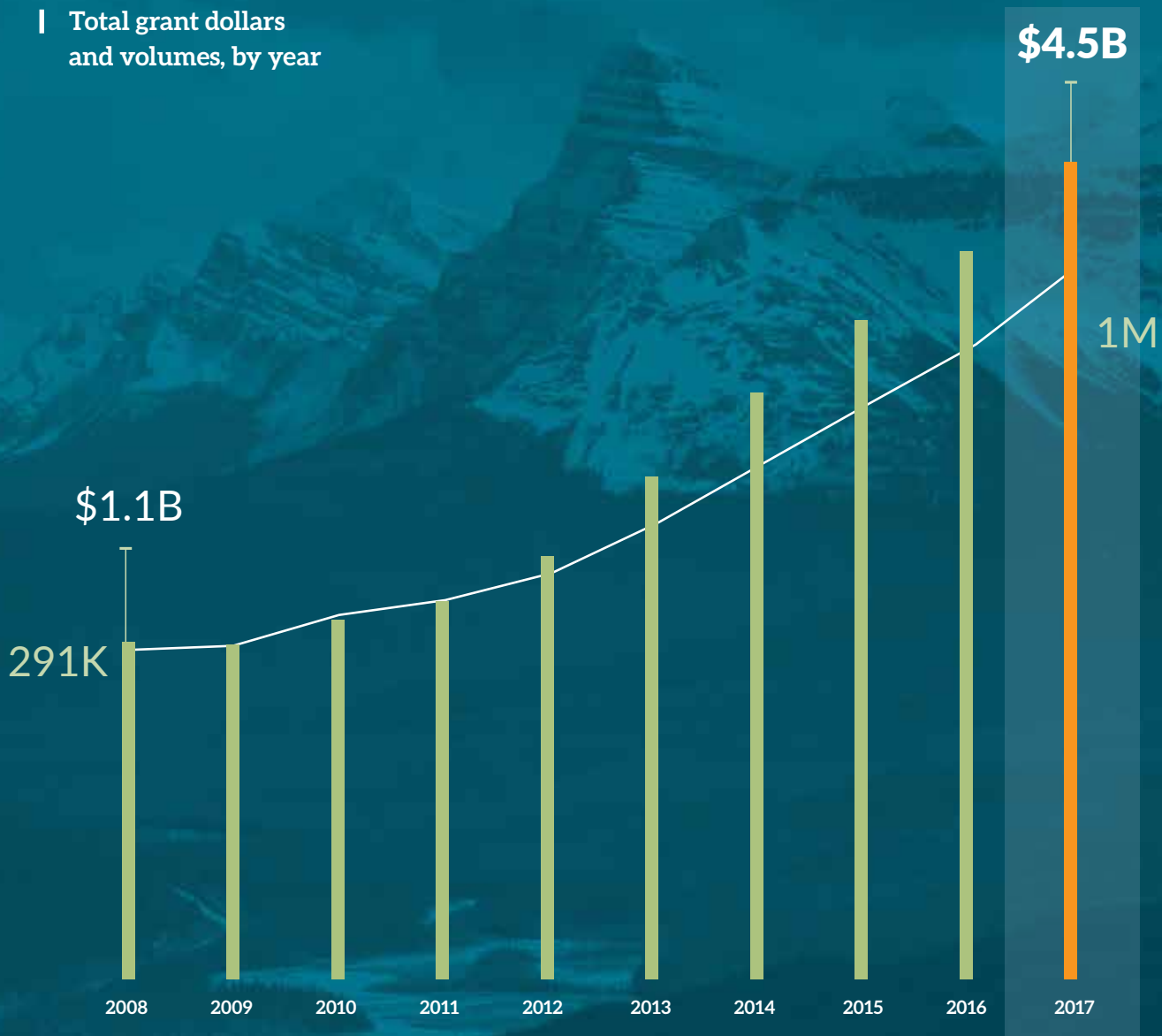
<sup>4</sup> Does not include third-party contributors or other third-party individuals.

# DONORS' CHARITABLE SUPPORT

Donor generosity fuels new granting records; Fidelity Charitable hits 1 million-grant milestone.

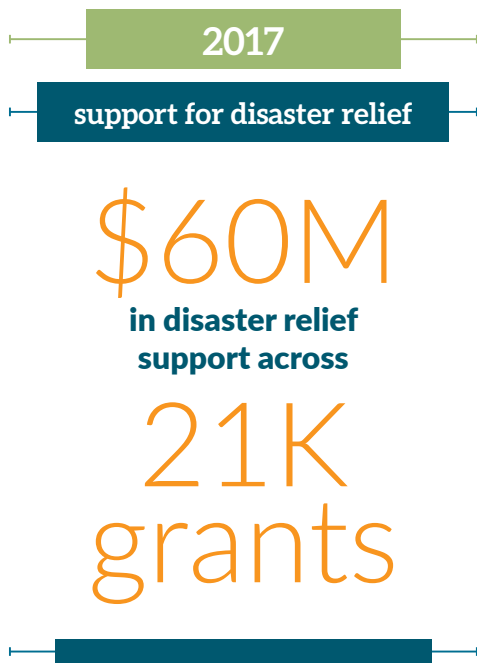
In 2017, Fidelity Charitable made \$4.5 billion in donor-recommended grants, a \$1 billion (27 percent) increase from the previous year. Volumes also hit a milestone in 2017: 1 million grants went to 127,000 different nonprofits. Individual grants of \$1 million or more grew to 505 last year, a 25 percent increase.

| Total grant dollars and volumes, by year



## Significant movement within the top nonprofit list reflects an increasing focus on responsive giving.

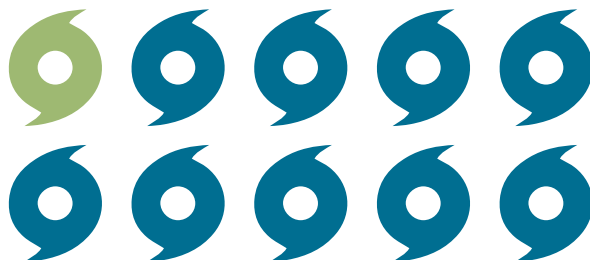
Fidelity Charitable's list of the most popular nonprofits—the 20 organizations that received support from the most Giving Accounts<sup>5</sup>—continued to reflect the response of some donors to national and international events in 2017. While many mainstays of our annual ranking remain on the list—charities that often address broad-reaching causes—our analysis also reveals the upward trajectory of charities specifically focused on more targeted issues, such as disaster relief, civil liberties and the environment.



### A surge of natural disasters in 2017 inspired a large-scale donor response to relief efforts.

A defining feature of 2017 philanthropy was donors' overwhelming response to the devastating Atlantic hurricanes and the other natural disasters that took place, particularly in the latter half of 2017. Evidence shows donor giving nationwide may have increased due to these events<sup>6</sup>; at Fidelity Charitable, disaster relief organizations dominated the list of most popular nonprofits. The American Red Cross rose to the top of the charity list for the first time since 2012, with more than 9,300 Giving Accounts supporting the charity. Oxfam and UNICEF also saw significant gains, more than 40 percent, and disaster relief support fueled Samaritan's Purse's first-time entrance into the top nonprofit list. Doctors Without Borders, The Salvation Army and Habitat for Humanity also saw increases due to natural disasters.

1 in 10  
Giving Accounts supported  
disaster relief in 2017



<sup>5</sup> Previous top nonprofit lists included all charities that received support from 1,000 or more Giving Accounts. Last year, that list included 31 nonprofits, and as Fidelity Charitable's donor base grows, the list has expanded to 46 nonprofits. Moving forward, Fidelity Charitable will highlight just the top 20 charities on the most popular nonprofit list.

<sup>6</sup> Blackbaud, "Giving When Disaster Strikes," 2017.

## Ranking of the most popular charities in 2017<sup>7</sup>

1

American National  
Red Cross

Change from 2016: +2

2

Doctors Without  
Borders USA

Change from 2016: -1

3

The Salvation  
Army

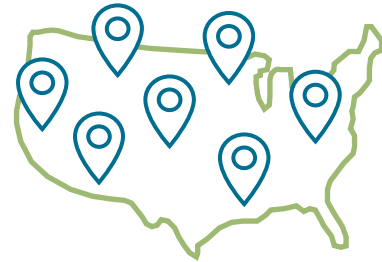
Change from 2016: -1

- 
- |                                                                             |                                                                                    |
|-----------------------------------------------------------------------------|------------------------------------------------------------------------------------|
| 4. <b>Planned Parenthood Federation of America</b><br>Change from 2016: +3  | 13. <b>Alzheimer's Association</b><br>Change from 2016: 0                          |
| 5. <b>St. Jude Children's Research Hospital</b><br>Change from 2016: -1     | 14. <b>U.S. Fund for UNICEF</b><br>Change from 2016: +3                            |
| 6. <b>Habitat for Humanity</b><br>Change from 2016: 0                       | 15. <b>American Heart Association</b><br>Change from 2016: -1                      |
| 7. <b>The United Way</b><br>Change from 2016: -2                            | 16. <b>Church of Jesus Christ<br/>of Latter-day Saints</b><br>Change from 2016: -4 |
| 8. <b>American Civil Liberties Union Foundation</b><br>Change from 2016: +7 | 17. <b>Oxfam America</b><br>Change from 2016: +4                                   |
| 9. <b>Southern Poverty Law Center</b><br>Change from 2016: +1               | 18. <b>Natural Resources<br/>Defense Council</b><br>Change from 2016: +2           |
| 10. <b>The Nature Conservancy</b><br>Change from 2016: -2                   | 19. <b>International Rescue Committee</b><br>Change from 2016: +3                  |
| 11. <b>American Cancer Society</b><br>Change from 2016: -2                  | 20. <b>Samaritan's Purse</b><br>New in 2017                                        |
| 12. <b>Pan-Mass Challenge</b><br>Change from 2016: -1                       |                                                                                    |



**Growing support for national charities drops some regional organizations from the list.**

In recent years, Fidelity Charitable has rapidly expanded across the United States, geographically diversifying from its New England roots. As the geographic distribution of the donor base has shifted, the most popular charities have shifted as well. For example, while Boston-based Harvard University and the Dana-Farber Cancer Institute (2016 ranks: 16 and 19, respectively) each saw 14 and 18 percent increases in support last year, they were supplanted on the top-20 list by charities with a more national reach. The Pan-Mass Challenge, a charity that has heavily integrated donor-advised fund giving into its fundraising efforts, is the only regional charity that remains on the list.



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**Donors continue to respond to domestic and international policies through philanthropy.**

After an uptick in giving following the 2016 election, in 2017 some donors continued to use giving to respond to current events. Planned Parenthood rose to take the number 4 spot on the charity list, while the number of Giving Accounts supporting the American Civil Liberties Union Foundation more than doubled. Southern Poverty Law Center, Natural Resources Defense Council and the International Rescue Committee also all saw notable gains in support, with increases tracking closely to major policy changes or announcements.

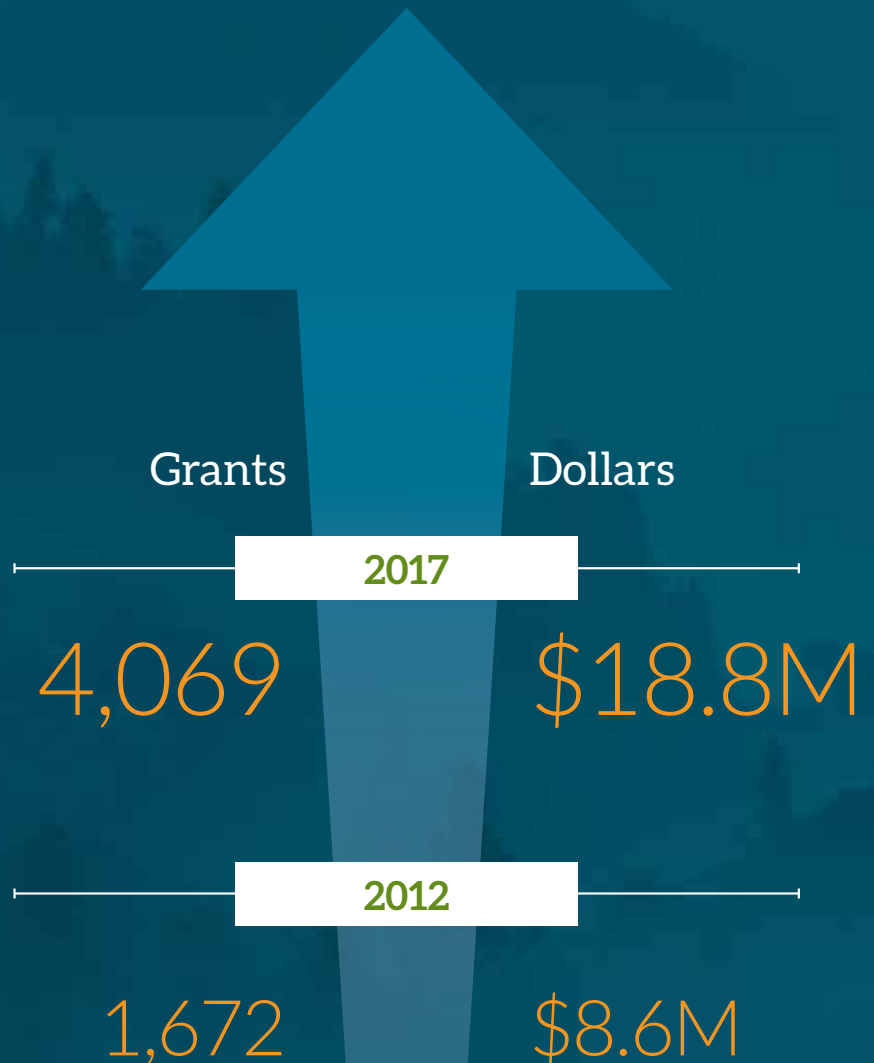


## | Donors' charitable support

### Donors increasingly support impact-investing nonprofits.

Last year, Fidelity Charitable made more than 4,000 donor-recommended grants to impact-investing nonprofits, totaling nearly \$19 million. Impact investing is the idea that organizations or financial vehicles can help achieve social benefits while also generating financial returns. Support for impact-investing nonprofits has grown over the last five years; in that time, Fidelity Charitable made \$92 million in donor-recommended grants to impact-investing nonprofits. Donors have also increasingly recommended that their Giving Account balances be invested in Fidelity Charitable's impact-investing pool. The increasing popularity of impact investing in recent years signals the strategy's move from a relatively niche concept to a trend gaining in support among individual donors at all levels.

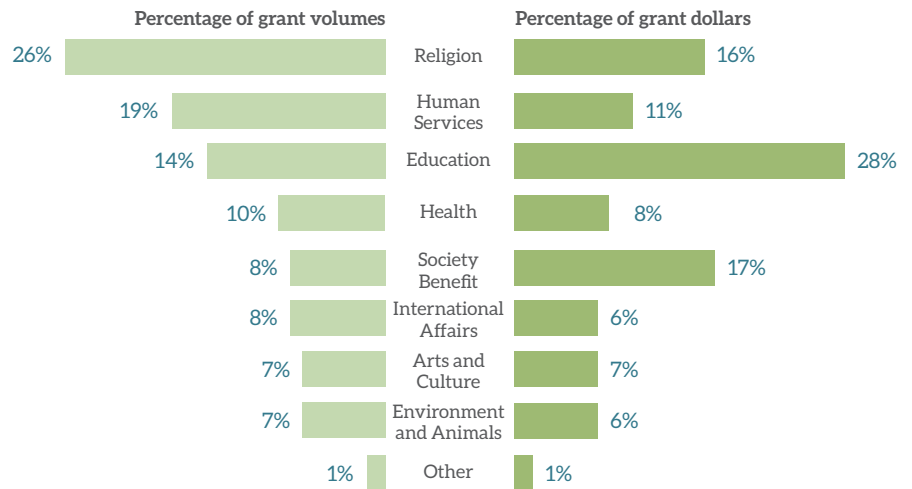
### | Grant volumes and dollars to impact-investing nonprofits



## The overarching themes in donor giving remain consistent year-over-year.

Despite new trends and changes in donor support to individual charities, charitable dollars and grant volumes vary little year-over-year. Since Fidelity Charitable launched the Giving Report in 2013, education has regularly received the most yearly grant dollars; religion has received the greatest grant volumes.

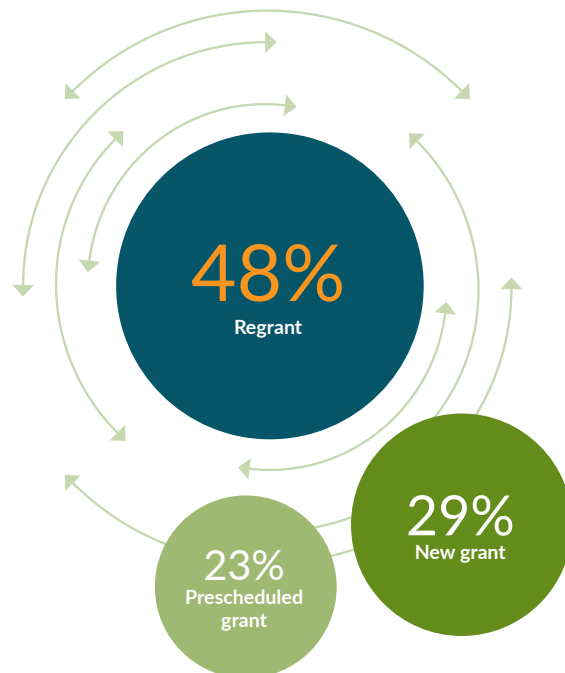
2017 distribution of grant dollars and volumes, by charitable sector



## Seventy-one percent of grants went to charities donors had previously supported.

Similarly demonstrating the consistency and commitment of Fidelity Charitable donors, much of donors' year-over-year nonprofit support remains the same. About 7 out of every 10 grants went to a charity the donor had previously supported.

Grants by type of recommendation



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## FUNDING DONOR GIVING

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In 2017, nearly 70,000 donors contributed to Fidelity Charitable, including 21,000 donors who established new donor-advised funds at the charity. These figures not only demonstrate the growing awareness and use of donor-advised funds but also highlight the unique economic conditions in 2017 that inspired more donors to plan ahead for their giving. Specifically, many donors took advantage of the robust stock market growth and contributed non-cash assets to Fidelity Charitable, which allows them to maximize capital gains tax advantages, potentially reducing taxes and ultimately giving more to charity.

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In 2017, 61 percent of contributions were non-cash assets.

Although most charitable contributions in the United States are made with cash, checks or credit cards,<sup>8</sup> these are generally the least strategic way to give. At Fidelity Charitable, cash equivalents generally comprise only about 40 percent of contribution dollars each year. Giving Accounts can be and often are funded with a variety of non-cash assets, including publicly traded securities (stocks, bonds and mutual funds) and non-publicly traded assets (private stock, restricted stock, limited partnership interests and bitcoin).

### Percentage of asset types contributed in 2017, by dollars



<sup>8</sup> Internal Revenue Service, "Statistics of Income Bulletins."

## Donor contributions are actively granted to charity; three quarters of grant dollars are distributed within five years.

While donors cite numerous motivations for contributing to a Giving Account, donor behavior after funding an account is consistent: They are actively recommending grants to charities from their Giving Accounts. A first-in, first-out analysis of contribution and grant dollars reveals that within five years of a \$100 contribution to Fidelity Charitable, \$74 has been granted to charities. After 10 years, \$88 has gone to charities and only \$12 remains to be granted.

### Pace of contributions granted to charity



# GROWTH IN DOLLARS FOR CHARITY

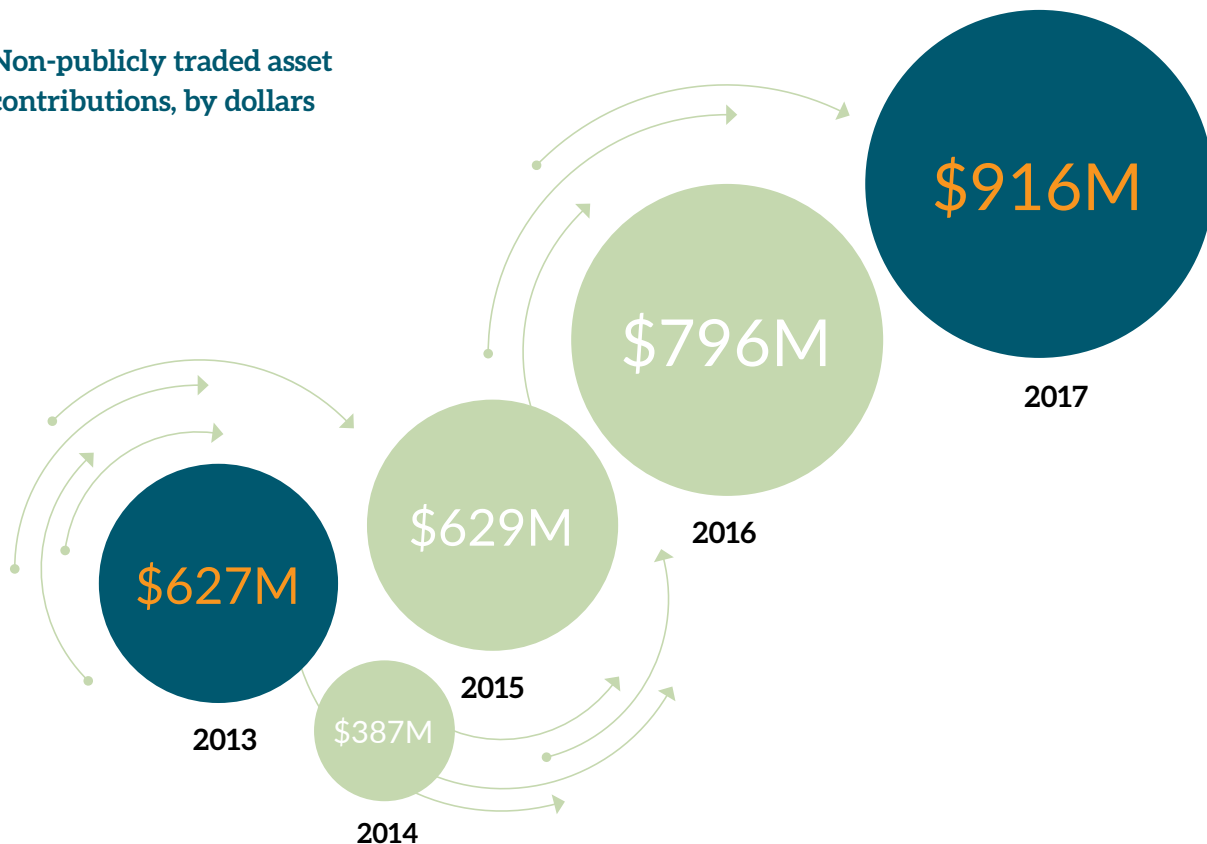
Part of the appeal of donor-advised funds is that they can be used to create more dollars dedicated for charity. This includes conversion of non-publicly traded assets into charitable dollars as well as the funds created from tax-free growth of charitable assets.

## Continued growth in contribution of non-publicly traded assets.

Non-publicly traded assets represent a significant portion of wealth in the United States but have traditionally been a largely untapped source of philanthropic funding,<sup>9</sup> in part because these assets—such as private stock, limited partnership interest, real estate or cryptocurrency—can be complicated both for individuals to give and for some nonprofits to accept.

Fidelity Charitable has expertise in the donation of non-publicly traded assets and has seen notable growth in these types of contributions in recent years. Since inception, Fidelity Charitable has converted \$4.7 billion in non-publicly traded assets into dollars for charity.

### Non-publicly traded asset contributions, by dollars

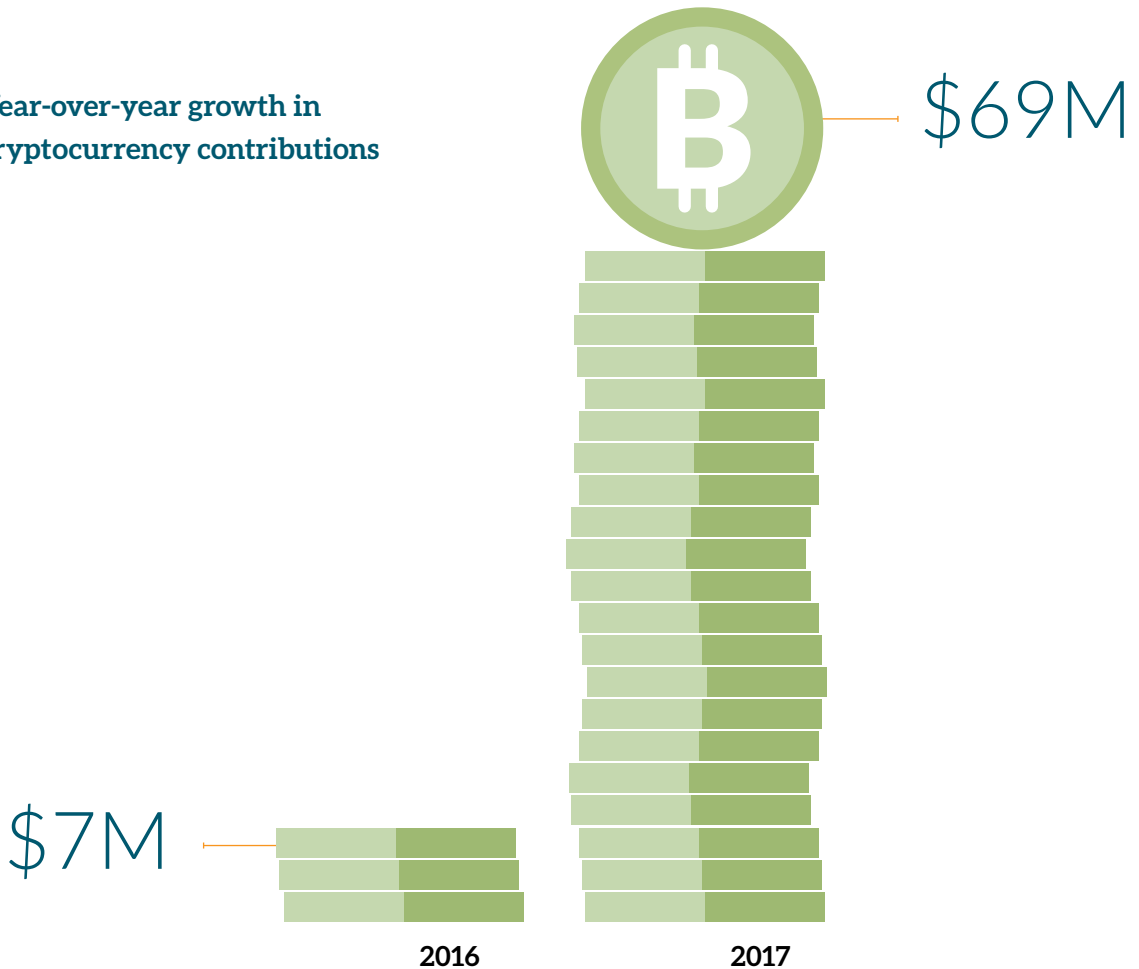


<sup>9</sup> Deloitte Consulting, "The Next Decade in Global Wealth Among Millionaire Households," 2011. The report states the top 1 percent of U.S. households hold 36 percent of their wealth in privately held businesses.

## In a year of rapid appreciation, bitcoin has become an increasingly popular way to give.

In 2017, Fidelity Charitable saw a nearly tenfold increase in contribution dollars of bitcoin and other cryptocurrency. Bitcoin was valued just below \$1,000 in January 2017 and peaked at \$19,000 in late December. Fidelity Charitable's ability to accept cryptocurrency donations allowed cryptocurrency holders to take advantage of the surge in appreciation to benefit charity. By donating these assets, the donors could eliminate the significant capital gains taxes on the appreciation while giving the full fair market value to charity.

### | Year-over-year growth in cryptocurrency contributions



## | Growth in dollars for charity

### Robust markets have led to significant investment growth of charitable assets.

Donors also have the potential to create additional dollars for charity while deciding where to send support. After a contribution is made, donations can be invested and grow tax-free. Fidelity Charitable donors can select from a variety of investment options and recommend a strategy that aligns with their own charitable goals and time frames. Donors can choose either an investment advisor-managed account or Fidelity Charitable's investment pools, which invest in mutual funds from five different providers.

Since inception, Fidelity Charitable investment growth has created an additional \$6 billion for charitable causes.

## | Cumulative investment growth, by year<sup>10</sup>





## Data source, methodology and definitions

The majority of data for this report was obtained from Fidelity Charitable's internal reporting database. Other sources, data and figures are cited throughout the report. The report looks at Fidelity Charitable activity in calendar year 2017 and includes prior calendar years for trends. Where figures represent a "snapshot," values are as of December 31, 2017 (and prior calendar year-ends). For example, when we say that Fidelity Charitable has 108,483 total Giving Accounts, that number represents a snapshot of funded Giving Accounts at year-end 2017, and it is understood that the count naturally fluctuated throughout the year. The number of Giving Accounts used to calculate grants per Giving Account differs from the snapshot number—because any Giving Account with a balance during the calendar year is included in the calculation, whether or not it is still active and holds a balance at the end of the year.

Throughout the report, "donors" refers to the primary Account Holder or the primary corporate contact connected to the Giving Account. All Giving Accounts have one person designated as the primary Account Holder (or, in the case of corporate accounts, the primary corporate contact), although each Giving Account may have more than one Account Holder (i.e., person with advisory privileges, including the ability to recommend

grants) associated with it. The exceptions to the use of "donor" solely in reference to the primary Account Holder on a Giving Account are the total-donor statistics on pages 2 and 5 ("nearly 180,000"), which include all Account Holders (primary and sometimes multiple secondary) and all corporate contacts (primary and sometimes multiple secondary), and the data on donor age, which include only primary Account Holders (and exclude corporate accounts, where age is not relevant). In this report, the terms "donor" and "donors" do not refer to any third-party individuals.

The specific analysis conducted for the chart on page 13 reviews granting of contribution dollars in Giving Accounts using a first-in, first-out methodology. The analysis reviews donor contributions each year and then analyzes grant recommendations associated with these contributions in subsequent years. A limited number of Giving Accounts with significant transfer activity were excluded from the analysis.

The cumulative investment growth analysis conducted for the chart on page 16 was calculated by subtracting the total Fidelity Charitable net contributions since inception from the total of Giving Account balances. Numbers are as of December 31 of each year.

## About Fidelity Charitable

Fidelity Charitable is an independent public charity that has helped donors support more than 255,000 nonprofit organizations with nearly \$30 billion in grants. Established in 1991, Fidelity Charitable launched the first national donor-advised fund program. The mission of the organization is to grow the American tradition of philanthropy by providing programs that make charitable giving accessible, simple and effective.

## Disclosures

Fidelity Charitable is the brand name for the Fidelity Investments® Charitable Gift Fund, an independent public charity donor-advised fund program. Various Fidelity companies provide services to Fidelity Charitable. The Fidelity Charitable name and logo and Fidelity are registered service marks of FMR LLC, used by Fidelity Charitable under license. Giving Account® is a registered service mark of the Trustees of Fidelity Charitable.

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Eligible grant recipients of Fidelity Charitable include IRS-qualified public charities described in Internal Revenue

Code Section 501(c)(3), with the exception of certain types of organizations (e.g., non-functionally integrated type III supporting organizations).

All grant recommendations, including scheduled grants, are subject to review by the Trustees of Fidelity Charitable.

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