As we approach the last month of 2021—a time of year that for many is synonymous with giving—how are Americans planning to support their favorite causes and take advantage of possible charitable tax benefits this year? Check out the key findings of a study conducted among a general population of Americans, with a deeper dive among investors giving $1,000 or more each year.
Charitable giving is a deeply entrenched holiday tradition for two-thirds of Americans—and they are planning a variety of philanthropic activities in 2021.

Do you participate in charitable activities at year-end?

- **64%** Yes, I participate
- **36%** No, I usually don’t/I give at other times

Which ways do you plan to be charitable this year?

<table>
<thead>
<tr>
<th>Activity</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Give money to charities</td>
<td>53%</td>
</tr>
<tr>
<td>Donate goods to charities</td>
<td>46%</td>
</tr>
<tr>
<td>Donate money/goods directly to individuals/families in need</td>
<td>27%</td>
</tr>
<tr>
<td>Perform random acts of kindness</td>
<td>25%</td>
</tr>
<tr>
<td>Volunteer</td>
<td>20%</td>
</tr>
<tr>
<td>Participate in charitable activities through a faith-based organization</td>
<td>19%</td>
</tr>
<tr>
<td>Participate in a charitable experience with family</td>
<td>17%</td>
</tr>
<tr>
<td>Purchase gifts from charities or socially responsible businesses</td>
<td>16%</td>
</tr>
</tbody>
</table>

*Base: Americans who participate in charitable activities at year-end.*

GIVING TIP #1

Search for a match

Many employers and charities alike sponsor charitable gift matching programs or campaigns at year-end, which can increase your impact with no additional out-of-pocket costs. Be careful to note any eligibility requirements for the program to ensure the maximum gift.
Most Americans who give will delay taking action on their charitable plans amid competing year-end priorities.

Which do you expect to finish first this year?

- **60%** Charitable giving
- **40%** Holiday shopping

Base: Americans who participate in charitable activities at year-end.

**GIVING TIP #2**

**Don’t hesitate**

A donation must be made by December 31 to be eligible for a 2021 income tax deduction. Keep in mind that non-cash assets could take additional time to process, so don’t wait to get started.

**GIVING TIP #3**

**Consider a donor-advised fund**

A donor-advised fund is a type of dedicated charitable investment account that can help you avoid the scramble and simplify the end-of-year giving process. You can make a single donation of cash, stock or many other assets to be eligible for an immediate tax deduction. The funds can then be used to support charities over time—and invested for the potential of tax-free growth while you decide.

In 2021, nearly 60 percent of Americans say they would rather receive a donation to their favorite charity instead of a gift for themselves.

“**This year, I would rather receive...**”

- **59%** A donation on my behalf to my favorite charity
- **41%** A gift for myself

**GIVING TIP #4**

**Consider charitable gifting**

For the loved one who has it all—and to avoid challenges related to the supply chain or shortages—consider making a charitable donation on their behalf to support their favorite cause or nonprofit. And if you’d prefer to give a traditional gift, consider purchasing from charities or from businesses with a social or charitable benefit.
Charitable investors remain committed to philanthropy—with more than 90 percent planning to maintain or even increase their donations in 2021.

Which do you plan to do in 2021 compared to 2020?

- 35% Give notably more
- 57% Give about the same
- 8% Give notably less

Despite their heightened focus on giving, most charitable investors do not take advantage of more strategic methods of giving.

Methods of charitable giving

- **Cash, checks or credit cards**
  - 92% Aware of charitable giving method
  - 87% Used charitable giving method

- **Donating appreciated assets, such as publicly traded securities**
  - 55% Aware of charitable giving method
  - 18% Used charitable giving method

- **Donating appreciated assets, such as privately held or restricted stock**
  - 54% Aware of charitable giving method
  - 17% Used charitable giving method

- **Qualified charitable distribution from an IRA**
  - 54% Aware of charitable giving method
  - 18% Used charitable giving method

- **Donor-advised funds**
  - 41% Aware of charitable giving method
  - 17% Used charitable giving method

**GIVING TIP #5**

Think beyond cash

Investors are subject to capital gains tax upon the sale of long-term appreciated assets—and after a year of strong returns in the stock market, many investors are left with significant appreciation. Donating assets other than cash to charity—such as securities in your brokerage account, company stock options or cryptocurrency—can help minimize your capital gains tax and leave you with more to give to charity. Keep in mind that complex assets could take additional time to process, and donations must be received by December 31 to be eligible for a tax deduction this year.
Nearly 60 percent of charitable investors experienced significant financial events in 2021—and half of those who did expect to feel tax consequences.

In 2021, did you experience or anticipate experiencing before year-end a significant event that will have a positive impact on your finances?

<table>
<thead>
<tr>
<th>Event</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Received a bonus</td>
<td>22%</td>
</tr>
<tr>
<td>Received a salary increase</td>
<td>21%</td>
</tr>
<tr>
<td>Significant market gains in stocks held outside retirement accounts</td>
<td>20%</td>
</tr>
<tr>
<td>Took a required distribution from a retirement account</td>
<td>17%</td>
</tr>
<tr>
<td>Received a significant financial gift or inheritance</td>
<td>11%</td>
</tr>
<tr>
<td>Sold an investment property</td>
<td>8%</td>
</tr>
<tr>
<td>Received any other financial windfall</td>
<td>5%</td>
</tr>
<tr>
<td>Sold a business</td>
<td>4%</td>
</tr>
</tbody>
</table>

*Base: Charitable investors.*

Do you anticipate that the financial event will have an impact on your taxes?

<table>
<thead>
<tr>
<th>Impact on Taxes</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes, I think I will owe more in taxes</td>
<td>50%</td>
</tr>
<tr>
<td>No, I think I will owe the same or less in taxes</td>
<td>36%</td>
</tr>
<tr>
<td>Not sure what impact it will have on my taxes</td>
<td>14%</td>
</tr>
</tbody>
</table>

*Base: Charitable investors who experienced or expect to experience a significant financial event in 2021.*
Nearly two-thirds of Americans who give plan to take advantage of a temporary federal law allowing tax deductions for some cash donations even if the taxpayer doesn’t itemize their taxes.

Do you plan to take the temporary charitable tax deduction for non-itemizers in 2021?

- **31%** Yes, definitely
- **32%** Yes, probably
- **20%** Probably not

Base: Americans who donated $1 or more to charity in 2020.

**GIVING TIP #7**

**Take advantage of unique 2021 opportunities**

In late 2020, a stimulus package was signed into law that extended many provisions of the Coronavirus Aid, Relief, and Economic Security (CARES) Act and also created additional charitable opportunities. The law includes increased tax incentives for some cash donations, including a deduction for non-itemizers of up to $300 for single taxpayers and $600 for those married filing jointly. Make sure you take advantage of these temporary opportunities to save.

**GIVING TIP #8**

**Look to the future**

The Biden administration has proposed several key tax reforms that could affect charitable giving if passed. Stay on top of potential legislative changes and review your current tax strategy to make sure you take advantage of existing planning opportunities.
For those who work with a financial or tax advisor, year-end planning conversations are a great time to discuss charitable planning goals and tax strategies.

Do you plan to have a year-end planning conversation with an advisor?

Base: Charitable investors who work with a professional advisor (financial advisor, certified public accountant, attorney, etc.).

![Chart showing responses to the question:]

- Yes, I already had a year-end conversation and I’m done with my planning: 24%
- Yes, I already had a year-end conversation but expect to have more: 27%
- Yes, I plan to have a year-end conversation but have not yet: 25%
- No, I do not plan to talk to my advisor before year-end: 24%

What topics are/were on your mind for discussion with your advisor?

<table>
<thead>
<tr>
<th>Topic</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year-end tax planning</td>
<td>49%</td>
</tr>
<tr>
<td>Charitable planning/charitable tax strategies</td>
<td>39%</td>
</tr>
<tr>
<td>Market gains</td>
<td>34%</td>
</tr>
<tr>
<td>Market volatility</td>
<td>31%</td>
</tr>
<tr>
<td>Gift, trust and estate planning</td>
<td>29%</td>
</tr>
<tr>
<td>Planning for potential tax reform legislation</td>
<td>28%</td>
</tr>
<tr>
<td>Required minimum distributions / qualified charitable distributions</td>
<td>28%</td>
</tr>
<tr>
<td>Roth IRA conversions</td>
<td>21%</td>
</tr>
<tr>
<td>Cryptocurrency</td>
<td>17%</td>
</tr>
</tbody>
</table>

**GIVING TIP #9**

**Check in with the experts**

Even if you don’t usually discuss your charitable giving with a financial or tax advisor, it’s a good idea to check in at year-end to ensure you’re making the most strategic and efficient charitable decisions for your specific situation.
Need more?

Visit Fidelity Charitable online for more tips to help supercharge your impact through charitable giving.

Methodology

This report is based on a study conducted in October and November 2021 by Artemis Strategy Group, an independent research firm, on behalf of Fidelity Charitable. The study examined year-end charitable giving among 510 adults in the U.S. A second sample examined year-end giving among 1,019 “charitable investors,” defined as those who have a minimum of $25,000 in investable assets and gave $1,000 or more to charity in 2020.