Despite significant volatility over its 13-year history, cryptocurrency has become a financial phenomenon—with the value of a single Bitcoin growing to an all-time high of more than $66,000 in October 2021. Cryptocurrency adoption continues to grow, despite its reputation for unpredictability.

It is increasingly common to see cryptocurrencies as an option to pay for goods and services—and yes, even charitable giving. But even as they become part of everyday transactions, many individuals, businesses, regulators and other institutions are struggling to keep up with the breakneck pace at which the landscape is shifting.

So, what do these trends mean for the charitable sector? And how are charitably inclined investors approaching crypto donations? Fidelity Charitable conducted a survey to address these questions. What we found shows significant knowledge gaps about charitable giving tax strategies as they relate to cryptocurrency.

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Charting the cryptocurrency landscape

Cryptocurrency is still new to many investors

How knowledgeable are you about cryptocurrency, such as Bitcoin or other forms of altcoins?

- 18% Extremely or very knowledgeable
- 25% Somewhat knowledgeable
- 57% Not knowledgeable

“I consider cryptocurrency to be...”

- 51% A fad
- 18% A smart investment
- 31% Somewhere in the middle

Half of Millennials understand cryptocurrency and believe in its long-term potential

48% of Millennials say they are knowledgeable about cryptocurrency, and 47% say that digital assets are a smart investment.
Cryptocurrency owners are satisfied with their investments—while non-owners see them as risky

Do you currently own cryptocurrency?

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
<th>I used to, but don't anymore</th>
<th>I'm not sure</th>
</tr>
</thead>
<tbody>
<tr>
<td>81%</td>
<td>13%</td>
<td>4%</td>
<td>2%</td>
</tr>
</tbody>
</table>

How satisfied are you with your investment in cryptocurrency?

- Extremely or very satisfied: 68%
- Somewhat satisfied: 21%
- Not satisfied: 11%

How long have you owned cryptocurrency?

- 1 year or less: 40%
- 2 to 3 years: 41%
- 4 years or more: 19%

What is the approximate value of the cryptocurrency you own?

- Less than $1,000: 38%
- $1,000 to less than $5,000: 25%
- $5,000 or more: 37%

In the next 12 months, what do you expect to happen to the amount you allocate to cryptocurrency?

- Increase: 57%
- Stay the same: 34%
- Decrease: 4%
- Not sure: 4%

Why don't you invest in cryptocurrency?

- I don't trust it: 49%
- It's too great of a risk: 40%
- I don't know enough about it: 38%

In the next 12 months, how likely are you to consider investing in cryptocurrency?

- Extremely or very likely: 7%
- Somewhat likely: 13%
- Not likely: 80%

Millennials are more actively involved in cryptocurrency investing

Among those who do not, 35% of Millennials currently own cryptocurrency. 51% say they are at least somewhat likely to consider it in the next year.
Cryptocurrency and taxes

Significant confusion exists around the tax implications of selling cryptocurrency—even among those who own these assets.

If someone sells cryptocurrency after it has appreciated, is that a taxable event in the United States?

- **Yes**: 62% (Cryptocurrency owners: 34%)
- **No**: 10% (Cryptocurrency owners: 12%)
- **I don't know**: 56% (Cryptocurrency owners: 26%)

Which of the following best describes your approach to taxes?

- I aggressively seek to minimize my tax burden: 12%
- I pay close attention to what is deductible on taxes: 22%
- I minimize taxes where I can but don't actively seek opportunities: 19%
- I don't have many opportunities to minimize my taxes: 10%
- My taxes are fairly straightforward and I don't worry about them: 32%
- Not sure: 5%
Cryptocurrency investors and charitable giving

Cryptocurrency investors are a disproportionately charitable group

In 2020, what was the total dollar amount that your household donated to IRS-qualified charitable organizations?

Millennials are a charitably inclined generation

“Charitable giving is a significant or pretty important part of my life.”

88% 71% 69%
Millennials Gen X Baby Boomers

Base: 701 respondents who donated $1,000 or more to charity in 2020
The tax-savvy strategy of donating digital assets to charity is not well-known

Do you know whether cryptocurrency can be donated to nonprofits and charities?

![Survey Results](image)

**A significant portion of cryptocurrency investors have donated crypto assets to charity—but many faced difficulties with the process**

Cryptocurrency donations to charities are tax deductible if you itemize your deductions. Have you donated any of your cryptocurrency to a nonprofit?

![Survey Results](image)

**Why did you donate cryptocurrency to charity?**

- I wanted to do something good with my cryptocurrency: 67%
- My cryptocurrency appreciated significantly: 56%
- Tax benefits of donating cryptocurrency: 54%

**Why haven't you donated cryptocurrency to charity?**

- I'm using it for my own investment purposes, not to donate: 30%
- I have other assets I prefer to give: 20%
- I did not know I could donate it to charity: 19%
- It is difficult to find nonprofits that accept cryptocurrency: 10%

**Did you have any challenges donating cryptocurrency to charity?**

- The charity required a larger amount than I wanted to give: 50%
- Difficult to find nonprofits or charities that accept cryptocurrency: 46%
- Cumbersome process: 44%

**How likely are you to donate any of your cryptocurrency to charity?**

- Extremely or very likely: 23%
- Somewhat likely: 20%
- Not likely: 57%

*Base: Cryptocurrency investors who have donated cryptocurrency to charity*
Methodology

This report is based on a study conducted in July and August 2021 by Artemis Strategy Group, an independent research firm, on behalf of Fidelity Charitable. The study examined cryptocurrency and charitable giving among 1,216 investors in the U.S. who have a minimum of $25,000 in investable assets outside of an employer retirement plan.

Percentages may not total 100 due to rounding.

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