

Giving strategy becomes part of core advice

Fred Kaynor of **DAFgiving360™** explains how donor-advised funds, tax law changes, and rising generosity are reshaping the advisor's role in structuring long-term charitable impact

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OVER TIME, most financial advisory relationships move beyond performance and allocation. Clients begin to ask different questions: What will this wealth mean? Who will it benefit? What does it say about us?

Planning shifts from optimizing returns to defining purpose. Donor-advised funds (DAFs) give advisors a practical way to lead those conversations. Providing a structured framework to connect financial planning with charitable intent, DAFs allow clients to formalize giving strategies and align them with broader estate and tax objectives. In doing so, they shift the dialogue from short-term outcomes to long-term purpose.

The scale of that shift is becoming increasingly visible. In 2025 alone, donors working with DAFgiving360 granted a record \$9.9 billion to charities – a \$2.2 billion increase from the prior year and a 28 percent rise in

total giving. More than 165,000 charities received support through 1.5 million grants. On Giving Tuesday, \$80 million was distributed in a single day. Across the year, grants moved at an average pace exceeding \$27 million per day.

Fred Kaynor, managing director of DAFgiving360, discusses how donor-advised funds function within this framework, what new tax law means for 2026, and why advisors are playing an increasingly consequential role in shaping modern charitable strategy.

For those unfamiliar, can you explain what DAFgiving360 is?

Kaynor: DAFgiving360 is one of the largest national donor-advised funds in the country. We operate as a 501(c)(3) independent public charity with a mission to increase charitable giving in the United States. We do that by offering donors, financial advisors, and others access to a best-in-class donor-advised fund platform,

along with philanthropic resources that help make giving both efficient and effective.

For anyone new to donor-advised funds, a DAF is essentially an account for charitable giving. It provides a simple, tax-smart way to support charities. Donors can contribute cash, securities, or non-cash assets such as private business interests or real estate. Once those assets are contributed, we liquidate them and deposit the proceeds into the account, where they can be invested for potential tax-free growth until the donor is ready to recommend grants to charities.

The goal is to make charitable giving as scalable and efficient as possible, facilitating the process of getting dollars out to charities when donors choose, and doing so in the most tax-efficient way we can.

What tax considerations should donors and advisors be thinking about when using donor-advised funds?

Kaynor: Donors want to support causes aligned with their values. But increasingly, they're turning to

solutions like donor-advised funds to do that as effectively as possible from a tax standpoint.

Because DAFs are held at a public charity, contributions are eligible for a current-year tax deduction. Once the contribution is made, it qualifies for that deduction immediately, even if grants to charities are distributed over time. That allows donors to plan their giving more thoughtfully rather than rushing at year-end.

Many donors also employ strategies to maximize impact and manage tax exposure. One common approach is “bunching,” where multiple years of charitable contributions are combined into a single year. This can help donors exceed the standard deduction threshold and itemize in that year, while continuing to support charities over time using funds already placed in the DAF.

We see advisors playing an increasingly important role in navigating these decisions. Today, we work with more than 5,000 financial advisors, and about 77

percent of our DAF account assets are associated with an advisor. That reflects how closely philanthropic planning is now integrated into broader wealth management.

Can you speak to the new tax changes for charitable giving in 2026?

Kaynor: The One Big Beautiful Bill Act, passed in 2025, introduced several changes to federal tax rules related to charitable deductions. These changes affect both itemizers and those who take the standard deduction.

The IRS inflation adjustments for 2026 also add another layer of complexity. So there is quite a bit for donors and advisors to unpack as they think about charitable strategies going forward.

What are some specific examples of these tax law changes that took effect in 2026?

Kaynor: There's a new hurdle to jump for donors who itemize and want to take that deduction. Beginning in 2026, taxpayers' total charitable gifts must clear a floor

of 0.5 percent of adjusted gross income (AGI) floor for their total charitable gifts before their gifts become deductible. That may lead to an increase in “bunching” strategies, where donors concentrate contributions into a single year to exceed that threshold.

Contributing non-cash assets such as appreciated stock, real estate, or private business interests is another for donors to surpass that floor while unlocking additional tax advantages.

There is also a new cap on deduction value for taxpayers in the highest bracket. Those in the 37 percent federal income tax bracket will now see the value of their charitable deduction capped at 35 percent.

On the other hand, there is a new universal deduction for non-itemizers. Taxpayers who take the standard deduction can now deduct up to \$1,000 for single filers, or \$2,000 for married couples filing jointly, for cash gifts made directly to qualified operating charities.

It's important to note that this new deduction excludes contributions to donor-advised funds. However, many donors use multiple giving vehicles as part of broader philanthropic plans, so we don't expect this to materially reduce DAF usage.

Finally, the 60 percent of AGI limit for cash gifts to public charities has been made permanent. That gives donors continued flexibility to make and fully deduct large cash gifts in a single year. Bear in mind that the 60 percent limit applies to public charities, including DAFs. So cash donations to private foundations still remain capped at 30 percent, whereas this 60 percent applies to cash for any contribution that's being made to an actual public charity.

You mentioned non-cash assets. Why are those becoming such a central part of charitable strategies?

Kaynor: Increasingly, we're encouraging donors to think carefully about what they give, not just how much.

Often, what is easiest to donate isn't the most tax-efficient.

In 2025, roughly three-fourths of the contributions we received were in the form of non-cash assets, particularly appreciated investments held for more than a year. These are typically the most tax-advantaged assets to give.

When donors contribute appreciated assets directly to a public charity or DAF, they can potentially avoid the capital gains tax they would incur if they sold those assets first and then donated the proceeds. We liquidate the assets on their behalf, and the full value – including what would otherwise have gone to capital gains tax – can support the charities they choose.

When combined with available deductions and planning strategies, donating appreciated assets can be a very effective way to maximize charitable impact.

Do you expect 2026 to be a strong year for charitable giving?

Kaynor: I'm always cautious about predictions, but if 2026 resembles 2025, it could be another record year. The pace of giving last year was historic, and it reflected both tax awareness and genuine generosity.

We saw particularly strong activity at year-end, likely driven in part by anticipated tax law changes. But beyond tax considerations, what stood out was the consistency of donor engagement across the calendar. That suggests charitable planning is becoming less episodic and more integrated into long-term financial decision-making. If that pattern holds, 2026 could continue on that trajectory.

Any final thoughts for donors and advisors?

Kaynor: I'd emphasize that we're all navigating these tax law changes together with the same goal: helping people give with maximum impact. Our mission is to increase charitable giving in the United States, and we do that by working closely with advisors, donors, and

partners to ensure they're using donor-advised funds in the most effective way possible.

DAFs remain an extremely efficient and tax-smart way to give. They're suitable for anyone who is philanthropically minded and wants to approach giving in a thoughtful, strategic way. Once people understand how they work, they often find it hard to imagine a more efficient structure for supporting the causes they care about.

DAFgiving360™ is the name used for the combined programs and services of Donor Advised Charitable Giving, Inc., an independent nonprofit organization which has entered into service agreements with certain subsidiaries of The Charles Schwab Corporation. DAFgiving360 is a tax-exempt public charity as described in Sections 501(c)(3), 509(a)(1), and 170(b)(1)(A)(vi) of the Internal Revenue Code.

Contributions made to DAFgiving360 are considered an irrevocable gift and are not refundable. Once contributed, DAFgiving360 has exclusive legal control over the contributed assets.

A donor's ability to claim itemized deductions is subject to a variety of limitations depending on the donor's specific tax situation.

Contributions of certain real estate, private equity, or other illiquid assets may be accepted via a charitable intermediary, with proceeds transferred to a donor-advised fund (DAF) account upon liquidation. Call DAFgiving360 for more information at 800-746-6216.

Market fluctuations may cause the value of investment fund shares held in a donor-

advised fund (DAF) account to be worth more or less than the value of the original contribution to the funds.

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