Schwab Charitable Celebrates 20 Years of Donor Generosity With Record Grants to Charity

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SAN FRANCISCO—(BUSINESS WIRE)—Schwab Charitable™, one of the largest national providers of donor-advised funds and other philanthropic services, reported a new granting record in 2019 with donors recommending over $2.7 billion in grants to charity. This is a 26% increase in dollars granted compared to 2018 and nearly double the amount granted to charities in 2016. Donors supported 89,400 charities in 2019 with more than 600,000 grants. This marks a 24% increase in the number of grants from 2018.

“I have been truly inspired by the generosity of our donors throughout Schwab Charitable’s 20-year history,” said Kim Laughton, President of Schwab Charitable. “Year after year, these remarkable individuals and families have supported an array of worthy causes, and we are honored they have chosen Schwab Charitable to help them achieve maximum impact with their philanthropic goals. Strong market performance in 2019 encouraged many donors to reach new heights of generosity by making tax-smart contributions of appreciated assets. This year’s granting record reflects a diversity of giving styles, goals, and strategies and demonstrates the commitment by these donors to making an even bigger difference in the world. We look forward to supporting their philanthropic efforts for many more years to come.”

Donors take advantage of new tax environment and market strength

The S&P 500 surged nearly 30% and reached record highs at the end of the year. Many donors were able to capitalize on market growth to fund their charitable goals by donating appreciated investments and assets. In 2019, 69% of contributions to Schwab Charitable were in the form of non-cash assets, such as publicly traded securities, restricted stock, and privately held business interests.

After two years under the new tax law, many donors now have a better understanding of how charitable giving can be effectively incorporated into their tax planning to address changes in their tax situation while achieving maximum impact with their philanthropy. Bunching or concentrating contributions continues to be a popular option for many donors. A donor-advised fund account makes it easy to fund more than one year of giving in advance and provide support to charities over time, even during market downturns. By concentrating charitable contributions in some years, donors who might otherwise take the standard deduction can take advantage of the itemized charitable deduction while still being able to benefit from the increased standard deduction in other years.

Contributing appreciated, non-cash assets that have been held for a year or more to a donor-advised fund can unlock additional funds for charity in two ways. First, when a donor contributes appreciated non-cash assets to their donor-advised fund account, they avoid the capital gains tax they would incur if they sold the assets themselves and donated the proceeds. This may increase the amount available for charity by up to 20%. Second, donors receive a charitable deduction for the current calendar year and may choose to pass on that savings in the form of more giving.

Active givers support diverse causes, both global and local

Schwab Charitable donors have been exceptionally generous over the organization’s 20-year history, cumulatively granting over $14 billion to more than 163,000 charities since its inception.

In 2019, donors gave to a wide range of causes and charities, from global relief organizations to their favorite local nonprofits. The most widely supported sectors in 2019 were religion, human services, and education, and the top grant recipients were Feeding America, Planned Parenthood, Doctors Without Borders, Campus Crusade for Christ, and Salvation Army. Nearly three-quarters (71%) of all accounts recommended grants within their own state in 2019, and nearly $2 million was dedicated to disaster relief efforts in the U.S. and across the world, including for the California wildfires and Hurricane Dorian.

Donors gave consistently throughout the year across generations and recommended grants on average between 6 and 12 times in 2019. In December, generally the busiest month for charitable giving, Schwab Charitable processed an average of 4,500 grants per day. In 2019, there was also a 54% increase in the number of grants made from a mobile device compared to 2018, providing an example of the simplicity and flexibility that leads over 60% of Schwab Charitable donors surveyed to consistently say they give more than they otherwise would because of their Schwab Charitable accounts.

“In support of our mission to increase giving, we are constantly improving the convenience and efficiency of our platform,” added Laughton. “This strategy was validated in 2019 by our donors’ overall level of activity, their rapid adoption of mobile granting, and their enthusiasm for unlocking appreciated non-cash assets for charity. As we enter 2020 and think about how donors can continue to increase their impact, we are grateful that financial advisors continue to encourage clients to plan and fund charitable goals as part of their overall financial planning.”
Advisors help donors integrate giving into financial priorities

Donors are increasingly looking to their advisors each year for support and expertise with their charitable giving journey. In 2019, the number of advisors utilizing Schwab Charitable on behalf of their clients increased 12%, and over two-thirds of Schwab Charitable assets were associated with advised accounts. In the past five years, charitable planning jumped from the fifth to the third most popular service offering at advisory firms, as a growing number of advisors have told us that charitable planning helps clients give with greater impact while deepening client relationships. Over the same five-year period, the dollar value of grants facilitated by Schwab Charitable has tripled.

For additional perspective from our donors on why they give, visit Celebrating 20 years of giving with 20 heartfelt stories.

About Schwab Charitable

Schwab Charitable is a donor-advised fund established as a service for individual investors to help increase their charitable giving. Schwab Charitable serves a wide range of investors and has been a pioneer in enabling registered investment advisors to manage the investments of donor-advised fund accounts. Schwab Charitable also offers a private foundation conversion service for private foundations considering a donor-advised fund as a complementary or alternative charitable vehicle. For more information, visit schwabcharitable.org.

A donor’s ability to claim itemized deductions is subject to a variety of limitations depending on the donor’s specific tax situation. Consult your tax advisor for more information.

Schwab Charitable is the name used for the combined programs and services of Schwab Charitable Fund, an independent nonprofit organization, which has entered into service agreements with certain affiliates of The Charles Schwab Corporation. Schwab Charitable Fund is recognized as 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 Schwab Charitable Fund are considered an irrevocable gift and are not refundable. Please be aware that Schwab Charitable has exclusive legal control over the assets you have contributed. Although every effort has been made to ensure that the information provided is correct, Schwab Charitable cannot guarantee its accuracy. This information is not provided to the IRS.

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2 Schwab Charitable accepts illiquid assets for contribution on a case-by-case basis and in some cases, liquidation is facilitated by a third party. 2% of assets contributed to Schwab Charitable came through this channel and are received as cash but reported as non-cash.

3 2015 and 2019 RIA Benchmarking Studies from Charles Schwab. Results for all firms with $250 million or more in AUM. Studies contain self-reported data.

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