



The Surge in Donor Advised Funds: How They're Reshaping Canadian Philanthropy

Mary Barroll: Hi, I'm Mary Barroll. In this episode of CharityVillage Connects we're taking a closer look at Donor Advised Funds, or DAFs, an increasingly popular way Canadians are giving to charity. We'll find out how they work, explore what's behind their enormous growth, and examine the ethical and practical questions they raise about modern philanthropy in Canada.

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SFX: Buzzing sound

Mary Barroll: Welcome to CharityVillage Connects. I'm your host Mary Barroll.

SFX: Hummingbird flying and tone

That's the sound of a Hummingbird pollinating our world and making it a better place. The Hummingbird is CharityVillage's logo because we strive – like the industrious Hummingbird – to make connections across the nonprofit sector and help make positive change.

We'll offer insight that will help you make sense of your life as a nonprofit professional, make connections to help navigate challenges and support your organization to deliver on its mission.

Mary Barroll: In this episode of CharityVillage Connects, we're exploring the growing phenomenon of Donor Advised Funds, or DAFs, an increasingly popular way Canadians are choosing to give to charity. DAFs allow donors to contribute money or assets, receive a tax receipt, and potentially increase long-term funding for charities.

SFX: News buzz

News clip

Using Donor-Advised Funds to honour one's memory, BNN Bloomberg, Nov 2025

<https://www.bnnbloomberg.ca/video/shows/money-talk/2025/11/13/using-donor-advised-funds-to-honour-ones-memory/>

“Being an executor of a loved one’s estate can be challenging especially if it includes philanthropic funds. But that is exactly what one of my next guests is doing. She is continuing her late uncle’s pioneering work and using a Donor Advised Fund to do it. One of the important things, as a donor, interested in directing where the funds went, there’s still a lot of red tape and a lot of complication and learning curve but they take care of the red tape, made us felt at ease, and show that adding value to the money that you donate, being able to steward it well and grow it, so you can make more of an impact to your donation.”

Mary Barroll: There’s no question that Donor Advised Funds, have enjoyed an enormous popularity in Canada recently, and they’re getting a lot of attention for their convenience and tax benefits to donors. However, despite facilitating an immediate tax receipt for donors, these funds don't have to be granted to a charity right away. This means that the donations can remain in a fund account for years, even indefinitely, before reaching the organizations they're intended to support. So, is this potentially delayed impact a problem? What role are DAFs actually playing in Canada's charitable landscape? Speaking to experts in philanthropy, social enterprise, wealth management and finance, we'll explore just how donor advised funds work, what benefits they offer, and what questions they raise about finding the right balance between philanthropic flexibility and timely impact.

Jeff Golby: We know that DAF payout rate is around 10%. While DAF assets are growing at between 15 to 20%. So, money is flowing in faster than it's flowing out is kind of a top headline story.

Malcolm Burrows: What we're seeing in statistics is donors who have a DAF, have a donor advised fund, they give much more. They give up to four times as much as regular donors. They're committed. They're typically repeat. And the more they give; they develop the muscle of giving.

Andrew Chunilall: I think we need to contextualize the DAF; how do we make this more flexible and give more agency to organizations on the ground so they can decide how to allocate and where to spend this money. They have great leaders, they have great

governance, why not put the faith in them? You could call these things community-advised funds instead of donor-advised funds.

John Hallward: There's also a moral obligation to move the money, in that, by not moving the money, you're allowing suffering to compound and suffering is personal and it has family and it has friends and it's a much more impactful thing to society.

Chantelle Ohrling: Whether it's pensions or donor-advised funds, investment policies decide whether money is compounding harm or repairing it. Capital is never neutral, and I see a gift to a charity as an investment in the world you want to see now and facilitating hope for a better future.

Mary Barroll: As one of the fastest-growing methods of charitable giving, DAFs are gaining a lot of attention and sparking heated debate. According to a report by the Canadian Association of Gift Planners or CAGP Foundation and non-profit-sector consultancy group KCI, in 2021, DAFs represented almost 10% of all donations claimed for tax purposes that year. And the popularity of DAFs in Canada is growing exponentially and the assets they hold are also growing enormously. As reported by WellFunded, Canadian DAF assets have grown from \$5.4 billion in 2019 to \$16 billion by 2024. That is a 3-fold increase in five years, according to the 2026 Blumberg DAF Report.

SFX: Sound of coins spilling onto a table.

This sounds like good news, during a time when charities are having more trouble than ever raising funds. Statistics Canada reports that last year charitable giving was down more than 3% overall. Could DAFs be the solution to this decline in donations? Maybe.

DAFs have gone from a niche financial product to representing a fundamental shift in how charitable capital moves (or doesn't move) in Canada. In 2024 alone, \$3.2 billion flowed into Canadian DAFs – roughly 1 in every 10 dollars donated to the charitable sector. But it's important to note that those funds are flowing into DAFs and *not* to operating charities, at least not yet. As mentioned, donors receive an immediate tax receipt for funds transferred to DAFs, but there's no deadline for when those funds actually flow to charity. That's leading to important questions circling the rise in popularity of DAFs.

Joining us to explore these questions is our first guest, John Hallward, President of Sector3Insights and Chairman of the charity, GIV3, which he launched to encourage a stronger giving culture in Canada. John introduced Giving Tuesday and the Great Canadian Giving Challenge to the Canadian nonprofit sector, initiatives that have generated tens of millions of additional Canadian donation dollars. He explains what a donor-advised fund, or DAF, is -- and how it differs from a traditional charitable foundation.

John Hallward: In a sense, a DAF account is a little bit like a middleman, between the wealth of the donor on one side, and, at the other end, the recipient charitable

organization providing charitable services. And creating a DAF account is a little bit like setting up one's private foundation where a donor can put money into this DAF account and gets an immediate tax credit for all the amounts. If I, for example, put in \$25,000 into a DAF account, I get a charity tax credit for all \$25,000 right away. But I'm not obliged to disburse that money, in any timeline, or to any purpose, other than it has to go to a charitable cause or a set of charitable causes.

And DAF accounts, by the way, are hosted within registered foundations that specialize in hosting hundreds and hundreds of DAF accounts, on behalf of different donors. But in setting up my own, I get my own little account, and I can put my name on it. Now, the money can never come back to me. It has to be used for charitable purposes. I've already taken my charity tax credit. But now, I can ask this host DAF foundation to disperse money to charities, of my choice, on the schedule of my choice.

So, in a sense, it's very much like setting up one's own private foundation and then running it that way yourself. But there are a lot of advantages to individual donors doing a DAF account as opposed to setting up their own private foundation. To set up a foundation obviously takes time and energy and legal fees, and you have to get approval from the CRA, to have a registered charitable foundation. Whereas a DAF account, the host foundation already exists. So, they're just going to open an account in your name and away you go.

So, if for sake of argument, I want to donate private equity, my shares of Royal Bank Canada that have done well over time. It's difficult for me to allocate a bunch of shares in small chunks to many different charities. Whereas if I go to a DAF and I can just say, here's \$25,000 worth of RBC stock, please split it up and give \$1,000 to each of these 25 charities. It makes my life a whole lot easier as a donor for doing that.

Normally as a DAF account holder, you have a little portal, and you can see your track records of donations and who you've given to, in the past. You can also ask the host foundation to manage the money for you, so they can invest it. So, you can just sit back, really, and let them be the money managers and hopefully expand your endowment, as you will, the cash in your account. So, that can grow over time, without the donor having to be actively involved in it. So, there are actually a lot of benefits to wealthy donors. And now there are even some DAF organizations who are trying to appeal to, or attract, much lower, less wealthy kind of donor levels. So, you don't actually have to be rich to open a DAF account anymore. It really has become more mainstream.

Mary Barroll: Malcolm Burrows is the Head of Philanthropic Advisory Services at Scotia Wealth Management and is also Executive Director of the Aqueduct Foundation. As a philanthropic advisor with 35 years of experience working, he points to decades of change in the nonprofit sector that have led to today's environment where DAFs are growing in popularity.

Malcolm Burrows: I think we've seen a significant shift in the charitable sector,

how it's composed, as well as the way wealth is held and people's experience with charities. We've seen this massive shift away from community-based charities, historically faith-based charities. At one time, 50 years ago, 65% of Canadian charities were faith-based. And there was that direct community experience with volunteering, of participating, of giving. And it was very much structured in that direct participation. And we've seen a very significant shift over time, with the way fundraising is done, and also the way wealth is held. And there's some concern about this. We're seeing a greater concentration of wealth. But back to the point about community-based charities, we're seeing fewer people that have that direct relationship with charity now. It's not part of their weekly life anymore. And so, the experience of giving is we're seeing decline in regular ordinary donors, but we're also seeing an increase in asset-based donations. We've actively encouraged this in the Canadian system over the last 30 years.

For example, donations of stock. We're deliberately as a matter of public policy trying to open the pockets for people to give major donations. So, what's happening is people want to give more, but they don't necessarily, in every case, know where they want to actually send it in the community. So, having that flexibility where you can give on your own timetable, 2025 is a great example. It's been a very hot stock market. People are giving, but they may not know, in every case, where it's going. So, it's a mechanism for managing that giving process. And those background drivers are the bigger drivers, probably, in terms of the growth of donor advised funds in Canada.

Mary Barroll: And within this new charitable giving landscape, John Hallward sees DAFs as providing a variety of benefits to donors, as well as to the banking and investment industry, that are driving their growing popularity.

John Hallward: In addition to all the kind of benefits or attractions, the ease of it, the anonymity of it, the immediacy of the charity tax credit, etc., I think they're also becoming a little bit more mainstream. So, more people are talking about it with friends and family. They are certainly marketed. There are bank and investment houses that have set up associated sister foundations, because they want their high-net-worth individuals to donate within the family of the bank's influence, so that the money managers can be the same money managers, inside the banking environment, than having to go to a community foundation and now the money is lost to that investment house or bank. So, they are being proactive by marketing these things. And there are now newer organizations that are coming in and basically saying any dollar level. So, you don't have to have a minimum \$10,000 donation or whatever. They may still have a minimum, but it's a lot lower. Maybe it's 500, for example. So, it's bringing it closer down into the mainstream of where more people are able to say, oh that's interesting to me. I could open a donor advised account.

Mary Barroll: Jeff Goldby is the CEO and co-founder of WellFunded, Canada's leading Donor Advised Fund online platform, where he and his team offer AI-powered data and tools for DAFs, financial advisors, and foundations. His research has revealed three big

trends about DAFs in Canada.

Jeff Golby: There's about three key takeaways that stood out to me, right off the top. The first is of the 283 DAFs that we were tracking, which was about 80% of all of the data, the top 10 accounted for the majority of the disbursements and in that top 10 it was some of the maybe less commonly thought of donor advised funds. So, we saw wealth management firms really rise to prominence and faith-based DAFs really seemed to take rise. We saw that wealth was really concentrated in these geographic hubs like BC and Ontario, not necessarily so equitably spread across the country.

The third thing that really stood out is the causes generally flowed amongst similar patterns that people are giving to across Canada, things like healthcare, religion, education. It wasn't too different from the way that overall Canadians are giving in non-DAF major giving as well.

Mary Barroll: Collating the data collected by Jeff Golby's organization, WellFunded, against data from CanadaHelps and GIV3, sheds some light on what sectors DAF donors are prioritizing. While there are some similarities, in notable cases, there are striking differences between the priorities of DAF donors and typical Canadians who make annual donations.

Jeff Golby: According to our data, the top recipients were health care at about 20% or so, education at about 15%. Religion, community development, and then poverty alleviation. Whereas when you compare that to, say, Canada annual donors or non-DAF giving, you would have a local regional giving like community development within the local area, health, education, religion, and arts. So, healthcare dominates, healthcare is very popular across the board for DAF givers and non-DAF givers. Religion is materially higher amongst DAF donors, and we know through other research, that religious Canadians do give at almost double the rate of everybody else. Environment only receives about 3% of DAF dollars, despite it being one of the fastest growing online giving areas. CanadaHelps reports that it's up 255% and they generally capture the annual donor dollar. So, it's a really fast-growing area of donations for people giving through credit cards online.

And yet for DAF donors, it's 3%. It's not really a material donation centre. Animal welfare, likewise, it's 1% of DAF donors, but it's 6.5% of all online giving. Certainly, when we look at things from a lens of like what the rest of Canada is giving towards, in many cases, amongst those smaller causes, DAF dollars are not flowing for things like environment, capacity building, animal welfare, at the same rate that they are for the average Canadian dollar.

Mary Barroll: Some of these differences suggest that DAF donors are likely to be mature and more sophisticated in their financial planning. Jeff Golby says the top DAF beneficiaries tell an important story about wealth demographics and geography in the country.

Jeff Golby: Assets, affordability, poverty alleviation, food banks, those sorts of things, are not necessarily correlated in the top line that donor advised funds are giving towards. While we don't have clear age demographics of fund holders, we can likely infer that it's probably concentrated around older demographic with capacity. When we look at the top recipients on our dashboard, we see institutions like UBC, University of Toronto foundations. So, it's not hard to infer that those are probably alma mater type gifts. It's not hard to thread the needle here and see through the data a little bit and understand that this is wealth geography, not necessarily population geography that's happening.

SFX: News buzz

News clip

Why charitable giving in Canada is at a 20-year low, CityNews, Dec 2025

<https://www.youtube.com/watch?v=Utl-tiXlh8>

“More Canadians are tightening their budgets this year and one thing that’s taking a hit is charitable giving. New data shows that donations across the country are going down and some local charities say they’re feeling the impact. Nationally, fewer Canadians are donating at all. New figures show the share of tax filers giving to charity has steadily declined over the past decade, as of 2023, charitable giving in Canada reached a 20-year low.”

News clip

Study suggests donation gap is widening, BNN Bloomberg, Dec 2025

<https://www.youtube.com/watch?v=d04yZ3bGjKs>

“What we do know is that Canadians are incredibly generous when they can be, but the reality is about 22% of Canadians represent half of all charitable donations. So that’s a pretty big concentration.”

Mary Barroll: It is no secret that the donor landscape in Canada is rapidly changing.

With major gifts making up a large proportion of charitable giving in Canada, charitable giving is being increasingly concentrated among high-net-worth donors. As major donors are finding DAFs increasingly attractive, Jeff Golby advises charities to pay attention to this new giving trend – or risk losing out on much needed funding.

Jeff Golby: We have mass market giving that is on the decline. People giving less than \$1,000 a year. That is dramatically declining year over year, and it continues to decline. Meanwhile, those who are earning more than a million dollars a year represent about 60% of all Canadian charitable giving in Canada. It is growing dramatically and donor advised funds in Canada are growing at about 20% year over year. So, they account for a large and growing portion of Canadian giving.

So, we are really, as a country, dependent on these major donors. These major donors

tend to give through either donor advised funds, private foundations, public foundations, or other more sophisticated means. So, we're seeing this really big split in Canada, where the major donors are propping up, in many ways, the charitable sector, and the annual giver, who's giving either through direct mail or online through somebody's website, just isn't able to keep up at the same rate, for a whole host of reasons. In some ways that makes the DAF conversation maybe a little bit more important, because DAFs are meeting these major donors where they are at, at their banks and their wealth planning conversations or at their community foundations.

Mary Barroll: Though DAFs are still mainly the purview of wealthy donors, John Hallward advises charities to start paying attention to them and figuring out how to attract this source of funding.

John Hallward: I would probably suggest that most DAFs are still within that top 10% of Canadian awareness and knowledge and preference. Most people don't even know the difference between a charity and a foundation, let alone a foundation and a DAF. But it is growing. My guesstimate is probably now there's about \$20 billion in DAFs in Canada. It's about 10% of the cumulative wealth of all foundations. So, at 10%, it should get on the radar of charities because now there's an extra consideration for how do I solicit? You're going to have to think, okay, well, there's these DAFs now. We've got to approach somehow these DAFs. And of course, you don't necessarily know who the DAF person donor is behind it. You just know it came from the Toronto Community Foundation or the Fondation de Grand Montréal. Who's behind that? It is a challenge for charities. But it's an opportunistic challenge because you're in a pool where the fish are big. These are big donors and sustainable funds. It could get us multi-year pledge because the money is there. So, there's an opportunity and a challenge, at the same time. And a necessity for charities to start paying attention to these DAFs and go after them.

Mary Barroll: Chantelle Ohrling is the philanthropy officer in charge of legacy and planned giving at the David Suzuki Foundation, and formerly at EcoJustice. A justice-driven strategist, she strengthens legacy operations for the organization across Canada, serves as communications and equity and reconciliation chairs for the Canadian Association of Gift Planners Greater Vancouver Chapter, and contributes to the Black Canadian Fundraisers Collective. She agrees that there are opportunities with DAF giving but also flags a key challenge.

Chantelle Ohrling: The challenge is that DAFs aren't a place for wealth to sit around and that charitable giving shouldn't wait. But then there is an opportunity that lies within the challenge. And that's the fact that these funds are growing when giving is generally down, and that these accounts can turn assets into funding that can be moved quickly.

DAF donors give larger average gifts and are often multi-year supporters. DAFs can be used to ease administrative burden for complicated gifts for charities. So, with gifts of property, gifts of private company shares, art, these are all burdens that require a lot of assessment and gift agreements for smaller charities, but a foundation can take that

burden on through a DAF.

But there are huge challenges in the sense that 90% of that gift is often sitting in the account and there's a delay between donation and impact. Right now, we're in a poly crisis. There's a myriad of issues going on, with charities facing the brunt of these, and it's really important that these gifts get out promptly.

Mary Barroll: Many believe the speed – or lack thereof – of donations held in DAFs getting out to charities is a serious problem. Critics point out that, unlike the charitable foundations that host them, DAFs don't currently have minimum distribution requirements. This means money in DAFs can sit ungranted for long periods, indefinitely in fact, even while the donor has already received the tax receipts for it. So, the question is, how should we be balancing donor flexibility with charitable impact that is timely and responsive to community needs?

Andrew Chunilall is CEO of Community Foundations Canada.

Andrew Chunilall: There are very large community foundations in the country that hold thousands of DAFs. And those community foundations tend to have access to better asset managers and they have very sophisticated consultants, very sophisticated investment committees, and they tend to earn higher returns, and those higher returns allow for them to meet higher disbursement quotas. Most community foundations are much smaller, and they just don't have the access to the level of asset management the big ones have and their returns are lower. It's much more difficult for them to meet higher disbursement quotas. And so, it's never a one size fits all.

Now, we know that the disbursement quota has been increased in recent years to 5%. We're looking at that. We're going to be able to back test this and go, hey, how are community foundations doing with the higher DQ? I think the larger ones are going to do okay. And I think the smaller ones are going to find it really, really challenging. Because the second thing is, community foundations tend to pay for their operations through investment returns, as well. And when you're a smaller organization, the percentage that goes to paying for operating costs is higher because you don't have scale. Whereas the larger ones, the percentage is lower. So, the higher disbursement quota definitely hurts smaller community foundations.

Mary Barroll: Andrew Chunilall describes some legitimate reasons why funds held in a DAF within a community foundation may be held back, to create a cushion against volatile markets and ensure predictability in their granting stream.

Andrew Chunilall: The way that it would work is I would set up a DAF at my local community foundation. Let's suppose I put \$100,000 in it. They would then invest that \$100,000 and let's say it earned 7% rate of return. So, at the end of the year, I would have \$70 in that fund. Now, some of that 70 will go to pay for the administrative costs of the foundation and typically that can range from 1 to 2%. But then the balance is

grantable money. And so, I would be able to grant out probably somewhere between \$50 and \$60 from that 70 that I earned, to a qualified donee in the community. And that just kind of keeps on rolling, year after year. Now, in many cases, you might earn 10%. And so, the fee might be 1%, the disbursement quota would be 5. So that's 6%. You have 4% left over. Well, that just rolls into the next year. And that excess builds up because some years you might not have a 10% return, you might have a 1% return or a minus 3% return. So, the excesses build up as a way to smooth out the granting process, because investment returns are volatile. So, because we don't control the markets and there's volatility in investments, we do this as a way to smooth out granting because we want to be able to have predictability in our granting stream, because organizations are relying upon it.

Mary Barroll: So, if money can actually sit unspent in a DAF account for years, how do community foundations ensure that these funds are being used effectively and in alignment with charitable missions, rather than simply accumulating over time? Andrew Chunilall explains some ways this can be avoided.

Andrew Chunilall: There's a couple of mechanisms and checks and balances along the way here. The disbursement quota is set at the aggregate level. So, if you have a lot of DAFs that are not granting, eventually, depending on the quantity, that could impair a foundation's ability to meet its disbursement quota. Now, that's a very high-level check and balance. But if you go another layer down, many community foundations do have to disclose their donor advised funds to the public through the annual reports, etc., and they want these funds to be granting. So, you may have situations where a donor maybe has passed away and it's hard to connect to next of kin who might be disengaged from the giving process related to that particular DAF. How predominant is it? I would say there's a low quantity of that. I wouldn't say that that's a significant amount. But I think community foundations want to grant, and they will try to get their DAFs, all of them, to grant at the minimum disbursement quota level. And so, if there are situations where they're not, they're definitely the exceptions. They're not the rules.

I could set up a donor advised funds, I could put my thousand dollars in it, and I get a tax credit, and that tax credit will have value to me immediately. And that thousand dollars could sit for a while. And I could drag my feet on it. Now, there are provisions within foundations to ensure that every donor advised fund is governed by an agreement with the donor. Now, if that fund hasn't granted for an extended period of time and the community foundation has exercised all their efforts to connect with the donor, reach out to the donor, the community foundation still has the control to grant from that fund. And they can choose to do so, whether they are able to connect with the donor or not, because it is the asset of the community foundation. And so, although theoretically that fund could not grant, in practice, if this were to play out, practically speaking, a community foundation is at some point gonna grant those dollars.

Mary Barroll: Malcolm Burrows explains that the foundations in Canada that host DAFs are many, and varied, and have different focusses and philosophies that guide their

decisions on when and how to disburse funds.

Malcolm Burrows: There's about 200 foundations with donor advice funds in the country that are active in this space. And they're very different organizations. They have different philosophies and approaches. Some have focused on endowments. Some, like our Aqueduct Foundation, have focused on being essentially a bridge or facilitation structure infrastructure for the charitable sector. From our perspective, we see it as getting money out there, bringing more money in. And so, 19 years ago, we were the first foundation in the country to just, on a routine basis, have immediate payout of 100% of capital, spend down gifts.

So, our largest donation to date was \$188 million and it's a 12-year spend out. It's all going out into the community and there's really zero left. It was too much to go all at once, but it's on an accelerated pace and that was determined by our donor who's since passed away. That kind of potential is looking at it not as a retention device, but as a public benefit device. And transmitting wealth, I think, is really important. That's our philosophy.

Mary Barroll: Malcolm Burrows offers a further example of how Aqueduct Foundation approaches multi-year grants and grant agreements to ensure funds are granted in a timely manner after the death of a legacy donor.

Malcolm Burrows: At Aqueduct Foundation, we have an explicit trust-based philanthropy approach. We encourage multi-year grants. We encourage few, very few restrictions.

Occasionally we'll put in place, with larger grants, put in place agreements as well. So, we have grant agreements, so it's dependable. And when our legacy funds, so after a donor dies and named a particular charity, we always do a minimum of five years. So, we don't do it on an annual basis. We say, charity, you've been recommended by our donor and we're going to give you consistent funding for five years. And then at the end of the five-year process, we're going to check in and see how you're doing. So, it's not annual. And this is what we're trying to do to address some of these structural challenges, but I don't think it eliminates them. only begins to, but we're trying to, you know, grapple with them and make sure we're a responsible foundation.

Mary Barroll: Though it may be rare for a donor-advised fund to never be disbursed, the fact remains that an incredible amount of wealth is potentially being accumulated and not necessarily being granted out for charitable purposes in a timely manner. According to John Hallward, this was not the original intention behind the tax credit and the minimum disbursement quota in the Income Tax Act, which was to incentivize giving among Canadians and ensure that at least a minimum of those donated funds were disbursed to a charitable purpose and not accumulated on the sidelines.

John Hallward: The Income Tax Act empowers the charity sector. And the idea of allowing charity tax credits and foundations was a way to incent people to put money into charitable purposes. But right from the get-go, in the Income Tax Act, it knew that there was the threat of people accumulating wealth on the sidelines. So, they created this disbursement quota. And before, in its early days, it was quite useful. They had, for example, that you had to give away 80% of the money you received, in the prior year. So, it really did not allow for accumulation. It really forced money out the doors. Because by allowing charity tax credits to take money from the public purse, it was an indirect tax on taxpayers. This kind of taxpayer money was being used and yet the money wasn't getting to the purpose. It was sitting on sidelines. So, the Income Tax Act knew this and tried very hard to not allow the accumulation of wealth. Over time, foundation interests lobbied the government to change and mitigate that requirement which has allowed for this rapid accumulation of money on the sidelines. So, the Income Tax Act is quite clear that this is not what it was intended for and that this is not what should be happening and that money should be applied in a timely manner, in respect to taxpayers today, who are out of pocket, for that amount of money. And I think there's also a moral obligation to move the money, in that, by not moving the money, you're allowing suffering to compound and suffering is personal and it has family and it has friends and it's a much more impactful thing to society.

So, if suffering compounds and gets worse, then really, we should be solving today's problems, as soon as possible, and holding back money, for example, in perpetuity, to solve environmental problems. When the right whale goes extinct, you can't bring back the right whale. I mean so, why hold back money, to solve cancer or to solve environmental problems when forcing them to spend it in a timely manner? And I don't mean in one year, but certainly within five or 10 years. So, a disbursement quota of 5% is not high enough, allowing DAF accounts to have no required obligation to move the money. I think it's kind of indefensible.

Mary Barroll: John Hallward thinks even a 5% disbursement quota, the quota that charitable foundations must disburse annually, is low, considering how much money is sitting on the sidelines and increasing through stock market returns.

John Hallward: Even with the disbursement quota at 5%, the stock markets have been returning 12%, 15% really, for many, many years, on average. So, you can really accumulate a lot of money, even by meeting the 5% disbursement quota requirement. And that's really what's happening, in foundations cumulatively, so DAF foundations, private foundations, public foundations. And today's numbers, it's probably close to \$200 billion. The last reported year was 2023, a full year. It was 161 billion. And that was up 14% versus the prior year. So, there's a rapid growth of money sitting on the sidelines that, had there not been foundations, the money would have gone directly to these charities. So, is there a benefit in this?

Mary Barroll: Depending on what foundation is hosting the fund, you might hear two very different messages about best practices for the management of DAFs. According to

John Hallward, some hosts push giving. Others quietly reward waiting. And this is why the money can sit within the DAF account for years, though that was never the intent.

John Hallward: Some DAF hosts try to encourage their DAF account holders to disperse 5% or more, so they have the right intent. Others almost market it the opposite by saying, hey, if you open a DAF, you don't have to give away any money away. You don't have to meet the DQ obligation. How cool is that?

And you're going to go, wait a second. That's not the purpose here. And the reason why it works is that as long as the other DAF account holders, in that host, are giving away a lot, and some do, some people will put, they may sell their business, and put half a million dollars into the DAF account, with the intent of giving it all away in three years. It was just a quick, convenient tax avoidance, tax minimization kind of strategy. They just put it in, but they don't intend to have it sit around forever. So, they will move it quickly. So, it means their disbursement rate is 30, 40, 50% of assets, which now means the host is on side and therefore a lot of other accounts can do zero. That does happen. And there are some people who don't move money out of their DAFs. They're not pressured to move money out of their DAFs. They may or may not even be asked by the host foundation to say hey, we noticed you haven't dispersed anything. Why don't you? And some of these foundations are associated with money managers. Keeping the money under management and the management fees, etc. is attractive to keep the money in house, as opposed to having it all dispersed out. So, a little bit of a conflict there.

Mary Barroll: John Hallward has spoken publicly about extending the disbursement quota to individual DAF accounts and even raising it higher, from 5 to 7%. Feedback on that from foundations, he says, has been largely negative. Charities, on the other hand, have remained relatively silent, perhaps not daring to alienate their funders, or as he puts it – bite the hand that feeds them.

John Hallward: I get push back from foundations. Most of them don't want that. My view is that they value perpetuity as their number one purpose. Like they get up in the morning to say, okay, how do we preserve our capital? You can see that in their investment style, with high percentage of fixed income, 30, 40% of their assets are fixed income. This is a profile of a very risk adverse group. And if foundations think in terms of perpetuity, with a 10-year plus horizon, any money manager would probably advise them to have no more than 10% fixed income. So, you can see their psychology as perpetuity and protection.

Of course, there's many foundations that give 6, 7, 8, 10%. So, there's averages, but it's not the averages I'm worried about. It's the ones at that bottom tertile. So, if one took 5% and moved it to 7, it's probably more in the ballpark of \$4 billion more a year, annually, to the sector with zero cost to the public purse is quite an attractive proposition.

John Hallward: Charities are in favor of it, but you won't hear them say that because they don't dare bite the hand that feeds them. They don't want to speak publicly. I know that some of the peak organizations got friction for supporting a 5% call for a DQ and

loss of membership. So, when you're an organization and you're losing members and foundation membership because they don't like you supporting 5%, they're not going to want to go anywhere near this discussion of a 7%. So yeah, there's lots of pushback and there's a lot of silence. And the people who have power and agency in Ottawa are the foundations. Charities have almost no agency in Ottawa. So, it's people like me who have nothing to lose. I can't get fired because I don't have a job. I have no funding, so nobody can cut me off. And so, I just try to look at the facts and try to interpret what the purposes of the Income Tax Act is and its moral obligations, and then just argue from there. I'm a market researcher by trade. So, by doing polling of charities and polling of taxpayers, I can bring the voice of those who are silent to Ottawa and say you won't hear the charities talk, but when asked in an anonymous survey, they would like to see a higher disbursement quota. And yeah, I think it should be applied to each DAF account, as well.

Mary Barroll: I asked Chantelle Ohrling what urgency looks like from the perspective of a fundraiser *and* an activist. What she shares next, through a striking 'fungi network' metaphor, makes the case that philanthropy, including donor advised funds, is meant to be moved into community, and that the 'right time' is always here.

Chantelle Ohrling: DAFs are the fastest growing, giving vehicle. And even without consistent disbursement quotas, they do grant out almost 10% annually. And 10% is a really great start. That's almost triple the minimum disbursement. However, that does mean that there is still 90% of a gift left sitting in investment accounts. And at EcoJustice in particular, investment policies are far from neutral.

My perspective as a fundraiser and an activist is that we cannot spend down fast enough. I think that certain giving vehicles can be used at times to hold on to control of the capital. The first essay I ever wrote for community centric fundraising was about how philanthropy can and why it should function as fungi. So, mushroom networks. There are networks between all plants, trees and mushrooms, and they speak to each other. They trade information and resources. They protect each other. And Dr. Robin Wall Kimmerer has said that all flourishing is mutual. And I really believe that. To me, that means that money that sits too long is money that has forgotten its relationship to the world. But in nature, there is no languishing. Everyone has their role. Even those that are decomposing release nutrients and resources back into their ecosystems. So, I think that's an important lesson for those holding onto resources for the right time. If you listen carefully to the trees and the water, the time is now. And it's not just the environmental movement. Many missions are feeling the strains of our reality. Using food banks, homelessness, gender-based violence are all on the rise, just to name a few. So really the time is now.

SFX: Nature sounds

Mary Barroll: Chantelle Ohrling says this characteristic of DAFs to effectively allow charitable funds to sit on the sidelines also creates operational and strategic challenges

for the administration and management of charities, even when DAF donors are dedicated to their missions.

Chantelle Ohrling: DAFs introduce risk into revenue forecasting because the charitable intent is separated from the actual disbursement. I feel that when they get that receipt, they feel as though the gift has been made and there's less urgency. So, a donor could be deeply aligned, fully funded and still unpredictable in timing. And that means that finance teams need to build models that assume delay instead of immediacy.

At a practical level, I would suggest not tying mission-critical staffing or work to anticipated DAF grants, maintaining enough liquidity so you can buffer whenever possible. But as I've mentioned earlier, all planned gifts benefit from holistic relationship building. So really focusing on that and communicating the urgency to your supporters, as well. It's just really, really important that we also become activists, a little bit, as fundraisers and change from being siloed and giving levels and giving vehicles into very holistic relationship building. And those of us who do have the opportunity to speak up and be activists, we should be pushing for the structural reform that will encourage larger disbursement quotas.

Mary Barroll: Malcom Burrows also sees structural reform and regulation as a vital tool for ensuring that foundations that hold Donor Advised Funds are disbursing enough funds from each DAF. And he believes that foundation boards of directors have a direct responsibility in making this happen. He's looking to the Canada Revenue Agency, the CRA, to provide further guidance on donor advised funds, especially given that DAFs are a huge growth area in Canadian philanthropy.

Malcolm Burrows: I think that every foundation that has donor advised funds should have a mandatory minimum, governance and oversight to ensure that there's granting from each fund, every year. I don't care about the formal mechanisms of the law. Every foundation in Canada, the directors have an obligation to make sure that they are exclusively devoted to their charitable purposes and use all their resources for charitable purposes, as well. And if you extend that back, if you have a whole bunch of funds that are sitting around because you say, don't worry, donor or don't worry, donor client, you can give whatever you want. That is sending the wrong message. That is undermining the faith in the sector. This is a legitimate criticism, but where the responsibility sits is with the board of directors. Where are the board of directors? I'm actively encouraging CRA to be looking at this, to be establishing standards to make sure that there are safeguards in our system. If this is such an enormous growth area in Canada, and it is, what sort of guidance do we have from a regulator on this point?

Mary Barroll: According to Malcom Burrows, inequities are inherent in the way charitable giving has evolved in Canada, and how the country relies on major philanthropic gifts, and DAFs are no exception.

Malcolm Burrows: What we're trying to do is help money go to public benefit. We're not

trying to address the larger inequities. We're trying to ensure that we encourage as much of that money to get out there. All we can be, in thinking about change and thinking about public benefit, is addressing how to bring money into the charitable sector, how to engage more people and work it through. I'd love to wave a magic wand and have these inequities go away.

But over the last 30 years, major gifts have become so important and so structurally wired into our system. You can't have a hospital or any sort of public institutional facility without these significant major gifts. And the system is set up so that there's public granting, there's a retreat of public money.

So, how else do we fund our public priorities? I'm afraid at this point, this kind of inequity is part of it. And so, how do we make sure, systemically, that the money is well used and it's used responsibly?

Mary Barroll: The current structure of DAFs means that donor money is going in much faster than it's coming out. Even when funds *do* move, they don't always reach operating charities right away. Jeff Golby explains that one of the challenges is that DAFs frequently receive gifts of non-liquid, fixed or tangible assets, like real estate, art or securities, but those assets can't easily be turned into cash until there's a liquidity event - like an initial public offering or IPO in the case of privately owned shares. That means valuable, but illiquid assets, may be committed to charity without being immediately usable.

Jeff Golby: Money is flowing in faster than it's flowing out is kind of a top line head story. When you look at where these gifts are flowing, sometimes DAFs are granting out, not necessarily to operating charities. There's an argument for a better payout rate or more transparency around the payouts for DAFs.

The liquidity challenge is real and it's misunderstood. So, somebody donates shares in their privately held company, say I wanted to donate shares in ChatGPT but it's a privately held company, I could donate that to my DAF. I can get a tax credit today, now that donor advised fund owns an asset of ChatGPT, that's really good for the charitable sector probably to own, so when that private company goes public, that's gonna be like a billion dollars' worth of cash, then they can flow out. And so, the charitable sector now owns a piece of a really valuable asset. Those shares are illiquid though, today, and so a DAF can't just sell them immediately and start making grants on that. So, a DAF has to, then, have other assets that they can balance out and flow through to keep that money flowing out. They have to walk a balancing act between how many illiquid assets they are holding and how many liquid assets they're holding to flow through. So, on some level, predictability is oversold. Yes, capital is committed and eventually it does get flown out.

SFX: Sound of coins spilling onto a table.

Mary Barroll: Echoing Malcolm Burrows' comments on CRA guidance, Jeff Golby

suggests that further legislation is required to help get DAF money flowing more freely to charities.

Jeff Golby: That's where I think there are a few minor legislative changes that could be made to increase the transparency to achieve that end goal, which would be, hey, let's flow more money out to people on the ground, doing the charity work, to achieve the goal in which DAFs were set up at the start.

Mary Barroll: I'd like to pick up on Jeff Golby's comment here on increasing transparency because another commonly cited concern about DAFs is the ability for the donor to remain anonymous. Here he is to explain this in more detail.

Jeff Golby: The individual fund can be anonymous. They're not anonymous to the foundation. And definitely a key value for somebody wanting to open up a donor advised fund or a fund at a foundation is the ability to be able to put your assets into something and not have to have the same level of exposure as you would if you, say, had a private foundation where your T3010 is published and where a lot of that information is a lot more public.

Mary Barroll: John Hallward adds that there are other practical reasons why the option for anonymity that DAFs offer may be attractive to donors.

John Hallward: The benefit to a donor is once you put the money in and ask it to be allocated to charity X or Y, you can have anonymity in that gift, in such that you can either advise the host to say, please make this grant of X. I specify I want \$1,500 to go to my university and I wish it to be in my name, or I wish it to be anonymous, or I wish it to be described, however. So, the operating charity receiving the money may actually not know who the money is coming from and in which way. And to a donor that might be attractive, so they don't get hassled down the road or constantly solicited directly from that charity. It also makes giving a little bit easier.

Mary Barroll: Jeff Goldby believes that the appeal of anonymity to some donors is only going to increase in the future as fundraising is accelerated by AI systems that cause privacy concerns, even while public funding for the social sector becomes more strained and charities are increasingly relied on to meet urgent community needs.

Jeff Golby: I think, as we enter an era where charities will be increasingly in demand by the social sector, because the problems of tomorrow are going to become even more intense, the funding for the social sector is going to become even more limited. The strain on our system is going to become even greater. The fundraising system is going to get more and more ramped up, through things like AI, that donors are going to need to or want to retreat underneath the privacy of funds, underneath donor advised funds. So, I think there is a valid privacy concern there or a valid need there to remain anonymous or to remain somewhat protected underneath their donor advised funds. Now, it's up for the public to decide whether they should or should not.

Mary Barroll: Malcolm Burrows says history reminds us that anonymous gifts are nothing new and there are good – even altruistic -- reasons for why a donor may want anonymity. And in any case, with DAFs, although the donor may prefer to be anonymous to the ultimate recipient charity, the foundation that holds a DAF always knows the source of the gift.

Malcolm Burrows: I think anonymity has always been part of charitable giving and it's often, in the Western tradition, very much considered the height of giving, is this selfless giving. It's not about me. I want to make sure I get out of the way and that informs a lot of people.

But remember that there's two parts to this. There's a donation to a foundation that holds donor-advised funds. We're a registered charity. And because we work in partnership with Scotiabank Wealth Management, we do know your client. We do full documentation on every single gift we receive.

So, by going through an intermediary foundation like this, systemically we know exactly where it comes from. Then the second step is that grant. And that's where the anonymous aspect can come in. And sometimes a certain reluctance and it's either out of profound modesty, or individual donors just don't want the attention, or sometimes we've worked with donors that have said, this is how I want to start out. I'm just putting my toe in the water here. I'm just beginning to engage and I'm not sure how to engage with charities yet. So, early days, we always encourage people to share their information, get to know charities, have that relationship, as opposed to being that broker, an intermediary. We don't want to be that. We want to be that clean channel that facilitates personal philanthropy but ultimately is getting out of the way. So longer term, we encourage and support people to develop those relationships and develop the trust.

Mary Barroll: Andrew Chunilall suggests that, for community foundations at least, transparency is not only a key part of how they are governed by the CRA, they're also core to their operating structure.

Andrew Chunilall: We do have to fill out a T3010. In our T3010, there's a form where we have to list every grant that we make. Every organization, their charitable number. We post our audited financial statements. And typically, at a very minimum, we do one annual report every year that talks about our impact in the community, our grants and many community foundations list every single fund that they have in their annual report. And they hold meetings where donors can query and ask about the granting that they're doing, the activity within funds. So, we tend to sort of open things up and be very transparent of what we're doing.

Mary Barroll: Chantelle Ohrling's former organization, EcoJustice has very strict policies about accepting gifts and she explains how they approached the anonymity aspect of

DAFs, which in some ways can be advantageous to the recipient charity.

Chantelle Ohrling: At EcoJustice, we have a very strict gift acceptance policy. So, we can't accept gifts from any of the big five banks, for example, because we could potentially litigate against them. We won't accept any funds from fossil fuel industry or other extractive industries that we could potentially be litigating against. So, it's very important for us to know who the true donor is.

We have people on every team who will investigate a company or a new donor before accepting a gift to ensure that we're not violating our gift acceptance policy or making things harder for our program side. So, that is a challenge. It could mean that you are accepting gifts from people who you normally wouldn't. But I do think that if it's anonymous, then that kind of clears it. They aren't associated with the organization as clearly. So, I think that the DAF is a great third-party way. There's no regulations or national policy for foundations on whether or not they'll pass on gratitude or how to do that.

Music

Mary Barroll: It seems clear that DAFs are here to stay and that charities can't afford to ignore this important new channel for major, or increasingly more mainstream gift funding. For organizations who are new to the DAF conversation and might want to try accessing DAF funding for the first time, several of our guests have great advice to consider.

Here are some practical steps Chantelle Ohrling recommends, if a charity wants to get more intentional about attracting DAF gifts.

Chantelle Ohrling: I think a very easy first step that everyone can do is just make it very clear that you accept DAFs on your website. They can't leave you a gift if they don't know that it's possible. So, make sure that your website and main communication channels are letting people know that you do accept DAFs. Another way would be to highlight a donor story. If you can find someone who is happy to talk about the gift that they made, the benefits of them making that gift, in that way, that can be very powerful. We all have a good donor story. And instead of just making the messaging give through your DAF, I would suggest making it spend down language: empty your DAF, meet the moment, now's the time. Let's see how many resources you really have to meet the moment. Larger charities with all of the resources and plan giving teams should do DAF specific campaigns. Long-time monthly donors are a really great prospect for that as well.

I think that another assembling block can be outdated systems or a lack of clear internal policies. For example, if accounting, IT, legal teams aren't aligned on how to accept DAF gifts, especially non-cash assets, organizations can get stuck. So, it's important to have accessible internal procedures on how are we accepting this gift and how are we stewarding this gift. That can turn hesitation into action.

And apart from foundations giving us a helping hand, professional advisors could also give us a helping hand. There are some financial advisors that benefit from retaining assets under management when certain DAFs are open. So, they can be having those conversations with their clients, as well, about spending down their DAFs or encouraging them to make gifts from those DAFs.

Mary Barroll: For Jeff Golby, branding and credibility is key for charities to attract the kinds of donors who engage and donate with DAFs, which tend to disadvantage smaller, less well known charities.

Jeff Golby: The data shows some patterns. It does show that obviously donors overwhelmingly favor established recognizable institutions. It's clear that wealth advisors and banks are key players in this new philanthropic landscape. So, I would humbly suggest that working on social proof, peer signals matter, when multiple DAFs mention the same organization, it creates this validation. Try to align yourself in this sort of way to try to reinforce credibility. It does mean that brand and credibility are unfortunately disproportionately important.

Mary Barroll: From the foundations side, more relationship building with charitable organizations can assist the DAF donor and the charity. Malcolm Burrows, who leads the Aqueduct Foundation, describes his foundation's role as a 'bridge, not a dam', helping facilitate larger, more complex gifts that might not otherwise reach charities. In his view, it's not about brokering donors away from charities, it's about working together so donors become more engaged.

Malcolm Burrows: What we're seeing, in statistics, is donors who have a donor advised fund, they give much more. They give up to four times as much as regular donors. They're committed. They're typically repeat. And the more they give; they develop the muscle of giving. And that's really important. I'm a huge believer that what we need to do is make sure that charities know the underlying donors. So, we call our foundation Aqueduct Foundation. The whole notion is we're a bridge; we're not a dam. We're about facilitating these large, more complex donations, multi-part that get money into the charitable sector that otherwise probably wouldn't get there.

A key part of our strategic plan and philosophy is around collaboration, working with our colleagues at charities, in the community, to get to know our donors, to work together. And so, it's their relationship. Again, we're not trying to broker. We're not trying to remove donors from the system. What we're trying to do is get them to be better donors and bring more money in and connect them. And sometimes that takes a little while because they need to learn to be philanthropists. It's something that's new to them, but that's our ultimate aim because they have more joy, they have more commitment. And frankly, the joy of giving is what we want to inculcate in our donors. And that's gonna mean knowing who's doing what in the community.

Mary Barroll: Even as organizations in the charitable sector learn more about DAFs and develop methods to attract these funds, the debate around required disbursement quotas is likely to continue. John Hallward believes that the sector needs to generate more awareness around this question, because although policymakers be aware, it's not a priority.

John Hallward: I know the policy advisors or the policy analysts are aware. I've talked with some of them and they know what's going on. But unfortunately, the whole sector is not really on the radar of Ottawa. They have much bigger fish to fry. They've got defense, they've got tariffs, they've got steel, they've got submarines, fighter jets, you name it. So, it's getting no political momentum.

There is a benefit to the idea of the increasing disbursement quota because it's very politically attractive and wrapped in good politics, because the government of the day can look like a hero by forcing the rich to give billions of dollars more to charities, with zero cost to the public purse.

and no risk. That stakeholders want it and taxpayers want it. At the risk, maybe, of upsetting about 20 foundation types. But the government was willing to move it from three and a half to five. So, I really don't see any reason why they're not gonna be equally willing to move it from five to seven. And especially now, with all hands-on deck, and we've got to step up.

It's really just a question of getting to the right people to say, here's a policy that makes you look good, that has zero cost, and it's going to do wonderful things with instant payback, like billions of dollars more in the next fiscal year. It speaks for itself.

To be honest, I think it's a moral obligation of elected officials. The Income Tax Act is their responsibility, and they should be moving taxpayers' money in a timely manner. They should be paying attention, and they should be respecting taxpayers' money.

Mary Barroll: Beyond the important question of how quickly taxpayer-supported dollars move into communities, DAFs are prompting a broader and timely conversation about stewardship. Increasingly, donors are asking not only where their funds are granted, but how those funds are invested while they wait.

As impact investing becomes more sophisticated, the alignment between mission and investment strategy matters more than ever. Jeff Golby points to the potential conflict that can occur when philanthropic intent and investment practice diverge, in what are called exchange traded funds or ETFs.

Jeff Golby: Imagine you care deeply about the environment. So, you're giving, let's say, 10% of your \$10 million DAF to environmental causes annually. But your DAF sits at one of the big five banks and if your DAF is at one of the big five, it is basically exclusively indexed in ETFs. ETFs are heavily invested in oil and gas and they're earning maybe 10% return on oil and gas extraction. So, you are funding environmental protection on

one hand and on the other hand, you are heavily invested in and therefore paying for the extraction of oil.

And that's not a value judgment; that's just a contradiction. The extraction of oil and gas with your investments, that the big five are invested in, through your ETFs. Or perhaps you're giving to world peace, but you're invested in ETFs that are funding military equipment through the Vanguard 500 or whatever it may be. So, many donors are seeing this as an inherent contradiction going, look, I may not want to flow out 100% of my DAF today, but while my money's sitting there, I at least don't want it to fund things that are not aligned with my values. So, the barriers are real, but it's potentially overstated. There's a fiduciary responsibility. And the reality is these investment policies were probably created 20 plus years ago, before impact investing had matured in the field. And so, I think that framing is probably outdated. But I think the potential is enormous. There's billions in gaps that could be deployed for dual return financial sustainability plus social environmental impact. It could help create huge sustainable change, generational demand. We know that millennials, Gen Z, want this type of investing. They want aligned investing that doesn't contradict their values. And so, yeah, I think it is a huge opportunity.

Mary Barroll: So, the question becomes how do we seize the enormous opportunity DAFs represent — not just as granting tools, but as engines for values-driven philanthropy? Chantelle Ohrling suggests that this moment is about more than financial innovation. It's about relationships, transparency, and trust — particularly as Canada undergoes one of the largest intergenerational wealth transfers in its history. If DAFs are to fulfill their potential, charities must think strategically about how they engage the next generation of donors and the expectations they bring.

Chantelle Ohrling: Everyone knows that there's an intergenerational wealth transfer that's happening. And GoodWorks is predicting that 280 billion of that will flow into charities through requests. And paired with the continued rapid growth of DAFs, it really means that we should be investing in holistic, reciprocal, transparent, trust-based relationships, so that we can benefit from both of those things. There is a growing distrust of charities and governments as well, in Canada. The younger generations have a growing distrust of extractive models of wealth. I think stronger public and political pressure for transparency, in both the charity and the financial sector, will make a big difference. So, not only are we fundraisers, but we're also activists. And I do believe that there will be an increased demand for values-aligned investing. We're seeing that now.

I think we're going to see more and more donors seeking that intentional, mission-aligned giving. And so, it's critical for us to begin cultivating the relationships, in that way. I think it's a new era of philanthropy we're about to see, as the younger generations age into donors.

Mary Barroll: But the opportunity doesn't stop at values-based investment and mission aligned giving. Andrew Chunilall invites us to think even bigger — to reconsider not only

how DAF funds are invested, but how they are distributed and who holds decision-making power. If DAFs are going to mature as a philanthropic tool, could they evolve toward models that prioritize flexibility, capacity-building, and community agency? What would it look like to design funding structures that empower organizations on the ground — shifting from donor-centric control toward trust in community leadership?

Andrew Chunilall: In our sector, what we really need is the ability to build the capacity of organizations, in terms of the people, the systems, the data, the things that make organizations thrive and provide organizational excellence. And we're starved out of that type of funding. And so, I think we need to contextualize the DAF in that way, which is how do we make this more flexible and give more agency to organizations, on the ground, so they can decide how to allocate and where to spend this money. They have leaders, great leaders, they have great governance, why not put the faith in them? You could call these things community advised funds instead of donor advised funds. That just changes the power of the funding arrangement because now you're empowering community.

In this particular arrangement, you're giving a lot of power to the donor. But think about this, if you're a large community foundation, you could have thousands of DAFs. That means, every year, you have to have thousands of conversations with thousands of individual donors and convince them of where they should direct their giving. And that's just terribly inefficient. And we don't have the resources to do that. And so, why not create something that's different? Why not create more unrestricted funds? Still have a deep engagement with the donor, but bring the donor along to say, hey, we know you might have an affinity towards something. However, these organizations that you're supporting, they know best and we can hold them accountable. They have structures to do that. So, let's invest in organizations because there's the ones delivering those critical programs.

Mary Barroll: Underpinning all of this — values alignment, generational change, community empowerment, and ensuring that philanthropy meets the urgent needs of the public good — ultimately finding the right balance between philanthropic flexibility and timely impact -- is the question of infrastructure. As DAFs continue to grow in popularity, the regulatory and legislative framework surrounding them must keep pace.

This is not about restricting philanthropy, but about strengthening it. Thoughtful governance, clearer guidance, and modernized legislation can ensure that DAFs serve the public good as intended — while preserving the flexibility and innovation that make them so attractive in the first place.

Jeff Golby believes this is a moment for the sector to engage seriously and proactively in shaping that future.

Jeff Golby: DAFs have grown tremendously in Canada and certainly south of the border, exponentially more. The legislation and certainly the framework around DAFs has not

kept up by any measure to the popularity of DAFs. Everybody should be playing catch up to that because around anonymity, how are people using it for good and how are people potentially maybe using it in ways that the DAF was not never set up to be used and I think that should cause concern for everybody. Everybody that works in this sector should be thoughtfully engaging on this topic because I do think this is a vehicle that has grown and will continue to grow. And our sector deserves, quite frankly, the infrastructure that is thoughtful and well-managed so that it can be supported into this future.

Mary Barroll: And that really brings us to the heart of this conversation. Beyond growth. Beyond innovation. This is about stewardship — of capital, of trust, and of the public good.

Donor-advised funds are growing in scale and influence. They're shaping the future of philanthropy in Canada. The question now is whether the systems around them are evolving just as quickly and intentionally. What does principled governance look like? Is clearer CRA guidance needed? Does legislation need to catch up? And how do we ensure that philanthropic capital — supported by public tax policy — is deployed with transparency, accountability, and real responsiveness to urgent community needs. Because this is not simply about financial vehicles. It is about whether intention and impact are aligned. Whether innovation is matched by responsibility. Whether DAFs will not only accumulate capital — but actively strengthen a resilient, sustainable charitable sector. Let's close with some final reflections from our guests.

Andrew Chunilall: I know that there's a lot of critique around donor-advised funds. I think the critique around them accumulating income and assets over time and hoarding that. I think there are exceptions and reasons why that happens, but it's not the intent of the community foundation for it to happen. We're managing relationships with donors and those can be challenging, but I've not come across too many situations where community foundations know that a donor advised fund is not granting and okay with that. We obviously exist to grant and that's our core business.

Jeff Golby: One of the solutions we're trying to work on with Well Funded is to go, how do we not just recreate the inequities of the funding model that we used to have in a DAF world where only 4% of all foundation dollars go to minority-led organizations and fundraising rewards fundraising, not necessarily impact, but that's principally what we're trying to solve here with WellFunded is to go, this shouldn't just be a pay to play kind of environment, in the new future, where it's dominated by DAFs. We want to create a system where impact is rewarded, where charities have at least a level playing field to be discovered and to be connected with others.

Chantelle Ohrling: There's this really great quote by MLK Jr. that I love. He says that philanthropy is commendable, but it must not cause the philanthropists to overlook the circumstances of economic injustice, which make philanthropy necessary. He argued that charitable giving alone cannot solve systemic inequality.

Philanthropy must be paired with structural change, economic justice, and social responsibility. So, when we're discussing large amounts of capital, like the hundreds of millions of dollars that are sitting in DAFs, mostly amassed through exploitative industries, this is the economic injustice that MLK Jr. speaks of. I don't believe that capital should sit comfortably while systems of harm persist. I really believe it should be mobilized toward accountability, equity, transformation of the communities that it serves.

John Halwart: DAFs are like foundations. I think the idea of foundations is useful. That having kind of independence, having, presumably, a more even distribution of funds so that if the stock market goes up or down, the DAFs and any foundations with endowment have the money to disperse, they're less vulnerable to short-term fluctuation. And really, we have lots to thank of the foundation world. the MRNA, which with COVID vaccination saved many, many, many lives, was first funded by foundations, in research, 20 plus years ago.

I'm not sure if DAF accounts are that way because they're almost too fragmented and smaller donors and they're maybe not thinking the same way. But if foundations didn't exist, we would wish to invent them, I'm sure. It's just they have to be a little bit more responsible and accountable to taxpayers. And they should not be, in my view, allowing perpetuity to trump humanity.

Malcolm Burrows: I think that donor-advised funds will continue to grow in value and importance. And I think as a sector, we need to look at how they fit and the responsibility of the foundations that own them. But I also think the regulator, Canada Revenue Agency, needs to have a position on donor-advised funds, and they need to inform foundations that own it. The fact that one in 10 donations are now going to charities that hold donor advised funds and CRA is silent on this point is to me negligent. Good systems, healthy systems have good regulations. They have checks, they have balances. We have a lot of work within the sector. We need to have this dialogue, we need to think about donor-advised funds as part of the charitable sector and responsible to the charitable sector. We have to remember that this is a charitable fund. It is for public benefit, and it's owned by a foundation. And those foundations have legal obligations. They have moral obligations. And if we want a healthy charitable sector long term, we really need to take a system-wide view and not take it for granted because I understand and hear critics and I feel the sense of disruption. And I want to make sure that our system is as public benefit oriented as possible and collaborative.

Mary Barroll: Thank you to all our guests for their keen insight and wise advice.

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Theme music

In our next episode of CharityVillage Connects, we'll unpack the new Lobbying Commission's Guidelines governing how Canada's nonprofit sector can advocate the federal government as they ramp up their government relations work. We'll sit down with the Lobbying Commissioner herself, alongside a leading charity lawyer, an advocacy expert, and organizations deeply engaged in advocacy work on the ground. We'll break down what's changed, how to stay compliant, and how to continue advocating effectively and confidently. If your organization engages with government—or wants to— this is essential listening for navigating Canada's evolving lobbying landscape. That's in our next episode of CharityVillage Connects. I'm Mary Barroll. Thanks for listening.

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