



Why Giving Matters

Recurring giving with donor-advised funds results in more reliable funding for nonprofits

2025





Being a recurring donor lets us know you're committed to our cause for the long term. It allows us time to build a more meaningful relationship with you as a donor and demonstrate the results of your giving over time.

Nonprofit work can take time to demonstrate results, so longevity matters. Knowing we have a financial commitment we can count on helps us plan for the future.

Amber Stott, CEO & Chief Food Genius
Food Literacy Center



Introduction

A donor-advised fund is a strategic charitable giving account that allows individuals to make tax-deductible contributions, invest the assets for tax-free growth, and recommend grants to charities over time. As a sponsor of donor-advised funds (DAFs), Vanguard Charitable is one of the nation's largest grantmakers, distributing more than \$22 billion to nonprofits since 1997.

Why Giving Matters shares insights from donors' philanthropy and typical behaviors with a Vanguard Charitable DAF. This study explores the long-term impact of granting on a recurring basis. It examines 10 years of internal giving data from more than 30,000 accounts, and a survey of 1,700 nonprofit organizations that received grants from Vanguard Charitable in 2024. The findings reflect how repeated funding affects nonprofits and impacts their relationships with donors to sustain philanthropy.



Definitions

Recurring grant



One of a series of grants recommended by one donor to the same organization with **frequent regularity** (e.g. annually; quarterly).

Nonrecurring grant



Any grant to an organization with **no frequency or regularity**. In addition to one-time grants, donors may give multiple grants, but without a consistent frequency, these are considered nonrecurring grants (e.g., three grants issued in nonconsecutive years).

Recurring **69%** Nonrecurring **31%**

Of total Vanguard Charitable grants over the past 10 years

Automatic grants



A series of recurring grants scheduled by a donor and **automatically distributed** from an account at the recommended date using Vanguard Charitable's scheduled granting feature.

Manual grants



A series of recurring grants made within a consistent cadence, but **not automatically distributed** using Vanguard Charitable's scheduled granting feature. A donor manually recommends each grant within the series.

Automatic **24%** Manual **76%**

Of Vanguard Charitable recurring grants over the past 10 years

Key Findings

Recurring giving may significantly influence a nonprofit's advancement by serving as a reliable source of funding; this enables effective fiscal planning, provides cash flow in times when other funding sources slow, and increases donor engagement.

THE IMPORTANCE OF RECURRING GRANTING



Nonprofits prefer recurring donors to one-time donors.

In 2024, recurring donors granted **3.5 times more dollars** than nonrecurring donors.

THE ROLE OF AUTOMATIC GRANTS



Nonprofits prefer to receive gifts between January and September.

Automatic grants are reliable throughout the year and account for **1 in 4 grants in July** when funding is traditionally lower.

THE LONG-TERM IMPACT



Nonprofits find recurring donors are more engaged overall.

Recurring donors increase their grant amounts **every year by 8%** on average.

Nonprofit Survey
Vanguard Charitable donor data

1 Recurring donors bolster nonprofits' cash flow

Charities benefit from predictable, consistent giving in sizable amounts to plan and execute their mission and programming.¹

Nonprofits prefer recurring donors because financial continuity allows for more certain and efficient budgeting. Recurring donors provide nonprofits with a stronger sense of their income, which means a nonprofit can more accurately set goals and hold themselves accountable to those goals.

When a donor engages in recurring giving, the increased charitable impact is clear. In 2024, recurring donors gave 3.5 times more than donors who didn't engage in recurring giving.

We value recurring donors' ongoing commitments because they not only support operational needs but also foster a deeper connection between our organization and those who believe in our mission.

LeTeisha Gordon, Founder & Program Director
A Better Day Than Yesterday Initiative Program

\$8K The typical total amount per recurring grant series.

3 out of 4 charities prefer a donor who makes a recurring gift compared to a one-time gift, even when the total amounts are the same.

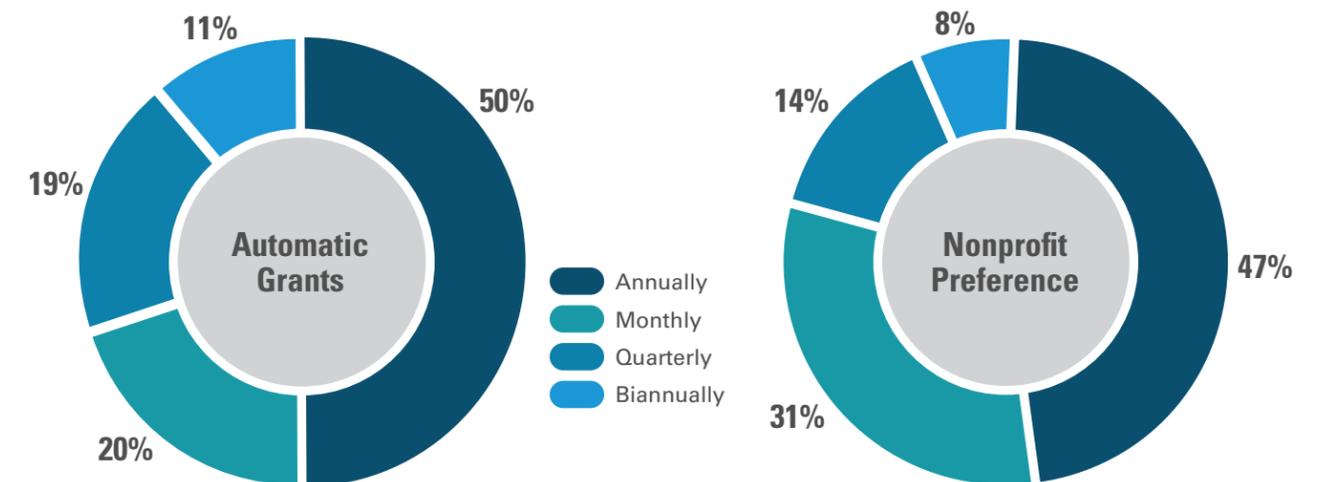


The impact of frequency and flexibility

Recurring grants are not only consistent—they are also responsive to the needs of nonprofits. This is particularly true for automatic recurring grants.

The frequency of automatic recurring grants are remarkably aligned with what nonprofits prefer. By scheduling in advance, these recurring donors are responding to the expressed need of nonprofits for funding throughout the year, such as monthly and quarterly. Compare this to manual recurring grants: 77%, a clear majority, are annual grants, closely followed by bi-annual grants at 18%. Manual recurring grants are less frequent than what's requested by nonprofits, while the streamlined style of automatic grants strengthens a more frequent approach to giving.

Automatic recurring grants' frequency closely mirrors nonprofits' preference.



Donors who schedule automatic recurring grants further demonstrate their responsiveness to nonprofits' needs by making additional grants on top of the scheduled ones. For 35% of automatic recurring grant series, at least one additional grant will be made to the same charity outside of the scheduled series. By having dollars ready for granting in their DAFs, recurring donors can leverage their philanthropic accounts for both consistent and flexible giving.

For nonprofits' consideration

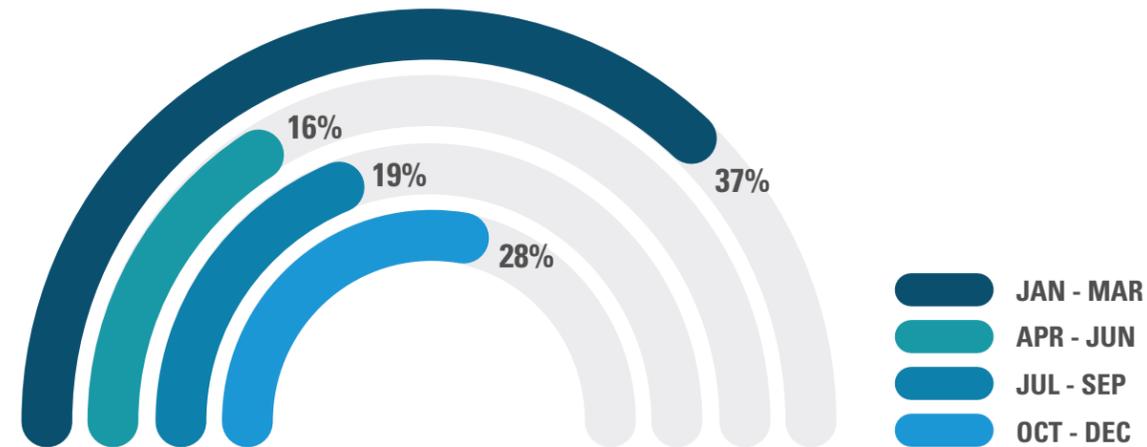
Since DAF donors received any applicable tax benefits when they made a contribution to their DAF account, grants aren't tied to traditional year-end giving deadlines. With this in mind, clearly communicate your preferred timing and frequency of gifts.

Recurring donors still give even when other giving slows

Funding's timing is a significant obstacle many nonprofits face when managing finances.

Most giving is made in December, but this once-a-year influx makes financial planning difficult. Nonprofits shared that grants made earlier in the year allow them to better pace their spending throughout the year and establish fundraising targets for year-end fundraising.

72% of nonprofits prefer to receive gifts between January and September before the year-end giving spike.

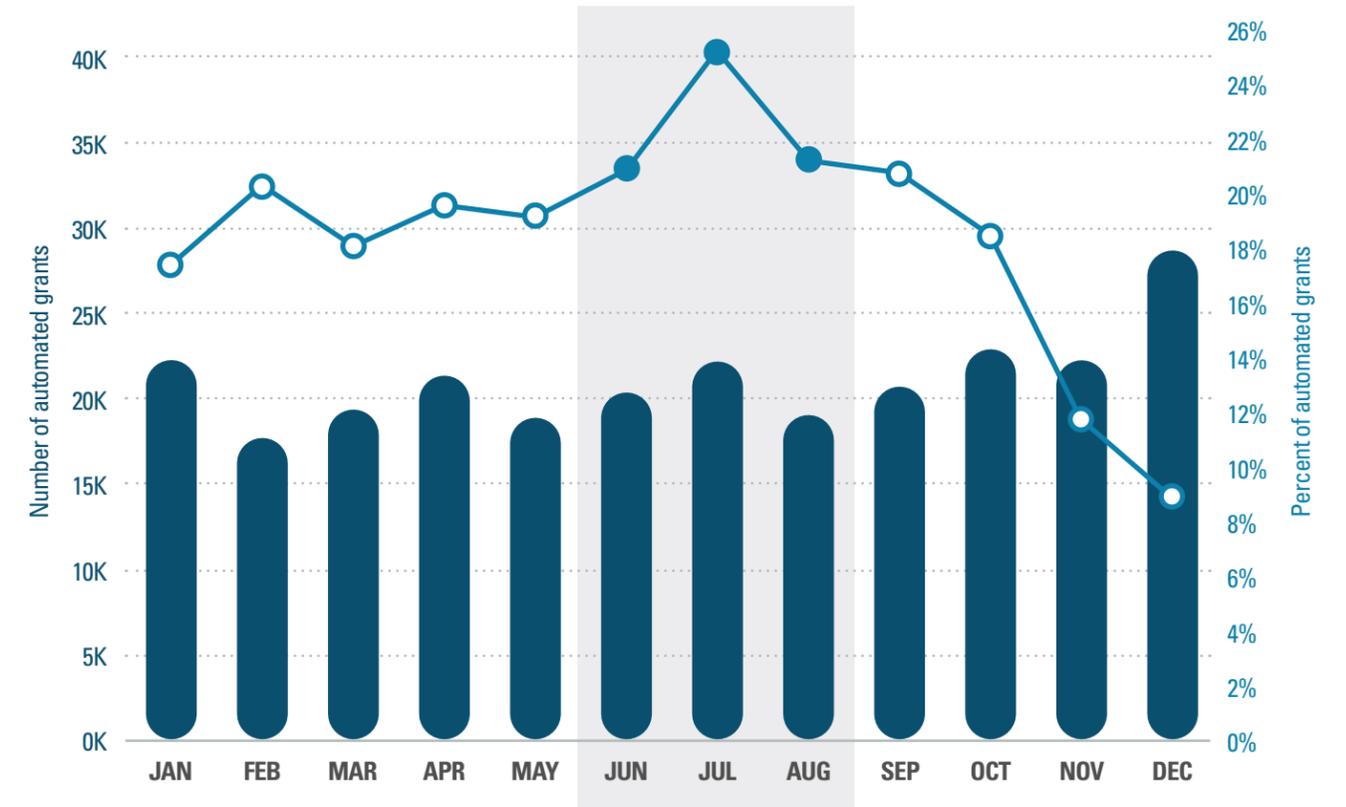


“Summertime is one of the most important seasons for us to receive recurring gifts, offering financial stability when traditional fundraising tends to slow down. As donors take vacations and shift their focus to summer activities, we often experience a dip in one-time contributions. Yet, the need for funding doesn't take a break.”

Mary Beth Postman, Deputy Director
Waterkeeper Alliance

Donors who make automatic recurring grants are strongly aligned with nonprofits' need for funding earlier in the year. In fact, these types of grants are unwavering twelve months of the year, accounting for a large portion of grants in the summer, a historically lower funding period.

Automatic recurring grants make up more than 20% of summer giving.



For nonprofits' consideration

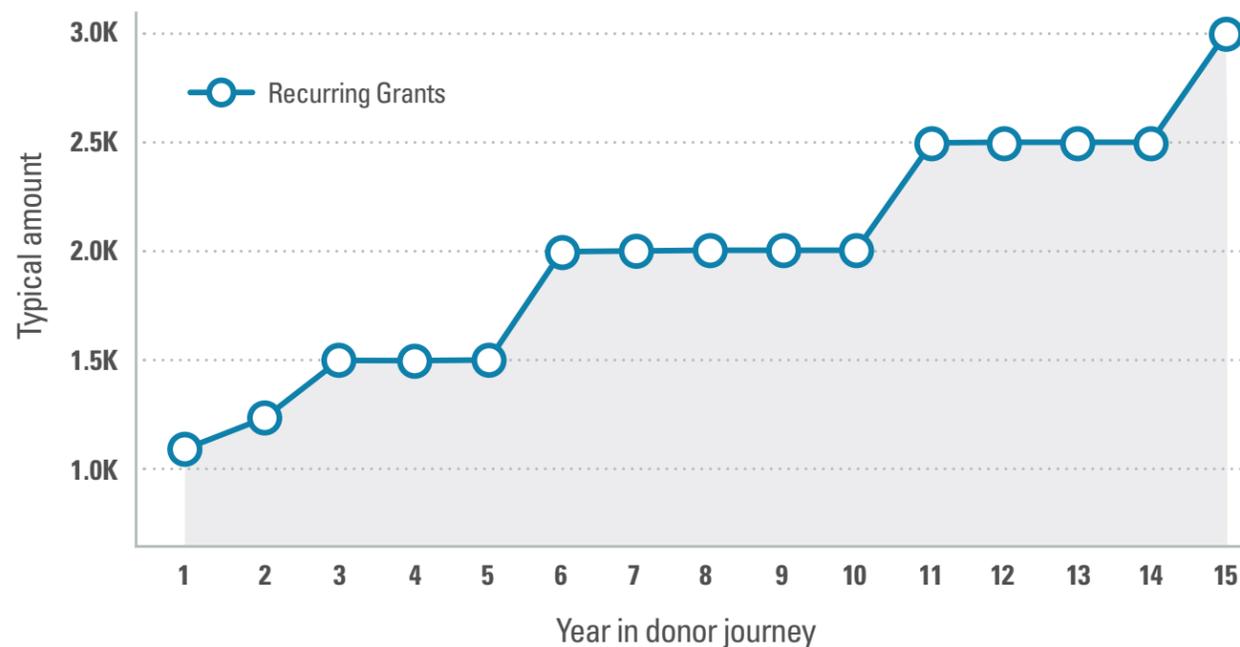
DAF donors follow the trend of being most engaged at the end of the year, demonstrated by granting trends. However, if funding during slower months would significantly aid in your ability to carry out your mission, communicate this with donors in advance and discuss automating their giving with their DAF accounts.

Recurring donors' giving and engagement increase over time

Evidence suggests that recurring donors have a tremendous impact on nonprofits in the long term, in addition to reducing the many funding challenges faced in a given year.

69% of surveyed nonprofits agree that recurring donors increase their grant amounts over time, amplifying their ongoing commitment. This perception is supported by the strong trend of Vanguard Charitable recurring donors increasing their grant amounts throughout their donor journey (the period of time in which a donor gives to one nonprofit).

Recurring donors increase their recurring grant amounts by 8% each year on average.



When a donor has a longer journey with an organization beyond one gift, the nonprofit has more opportunity to get to know them and cultivate them. As donors become more engaged, they may support nonprofits beyond monetary gifts by volunteering, interacting with board members or staff, and attending fundraisers or events. Increased engagement and communication can maximize a donor's impact and become even more crucial as the needs of a nonprofit change.

82% Nonprofits agree that recurring donors are more engaged with their organization overall compared to nonrecurring donors.²

For nonprofits' consideration
 A recurring donor could be your greatest ally in sustainable budgeting. Consider how you're communicating the long-term sustainable value of your recurring programs to cultivate a donor's interest beyond one gift.

The typical length of a recurring donor's journey.
 A typical recurring donor will give over 5 years, and their last grant will be 40% greater than their first.

1 YEAR 2 YEARS 3 YEARS 4 YEARS 5 YEARS

When donors choose to give recurring gifts, it gives us the opportunity to build relationships with them, educate them on issues affecting the cause they are donating to, and create advocates for our cause.

Allison Hein, Development Manager
 Willis Dady Homeless Services

Conclusion:

Recurring giving with a DAF amplifies long-term charitable impact

Vanguard Charitable donors engage in long-term, strategic philanthropy to further their charitable impact. The sustainability and efficacy of recurring grants from DAF donors have a profound effect on the nonprofits that need reliable funding to achieve their charitable missions.

Nonprofits rely on gifts of various sizes from many funding sources. The talented people at nonprofits leverage what they have to manage their budgets and reach their organization's goals. Recurring grants from DAFs play a significant role as a sustainable giving model, providing a steady source of funds to charities and bolstering a charity's long-term financial and program planning.

Recurring giving not only benefits nonprofits, but donors as well. As a donor sets charitable goals, recurring grants can simplify their plan, ensuring they support their favorite charities and make the charitable impact they want to have. All of this is even easier with automatic scheduling tools. Combined with the strategic benefit of a DAF, recurring donors can amplify how much they give and deepen their relationship with nonprofits.

When considering the long-term impact of recurring giving—and its potential to grow and encourage more engagement from donors—it's evident that nonprofits thrive by cultivating relationships with their recurring donors.

Recurring gifts are such a generous way to help an organization because it gives a sense of security for funds. It also creates a different group of donors who interact and believe in the organization's mission more than just once.

Andrea M. Brantley, Executive Director
Family Promise of North Fulton/DeKalb

Methodology

The data included in this report draws from two sources: Vanguard Charitable's internal database and a survey to nonprofit grantees distributed by Vanguard Charitable.

Internal Data

This report examines 10 years of granting data at Vanguard Charitable from January 1, 2015, through December 31, 2024. An exception is the graph on page 10, showing the typical grant amount by year in donor journey, which draws 15 years of data, spanning January 1, 2010, through December 31, 2024, to allow for a longer view of donor behavior over time. All calculations are based on data within a given calendar year.

The analyses in the report were conducted at the account level. A philanthropic account is advised by a minimum of one and a maximum of two account advisors. While the data is at the account level, we use the terms "donors" and "accounts" interchangeably.

We define a grant as recurring if it meets one of the following criteria:

- A grant is made to the same organization in three consecutive calendar years, or
- At least three grants are made to the same organization within one calendar year.

To classify the frequency of manual recurring grants, we calculated the average time between grants to the same organization:

- If the average gap is less than 45 days, the schedule is considered monthly.
- If less than 120 days, it is quarterly.
- If less than 230 days, it is semi-annually.
- Otherwise, it is considered annual.

When we use the term "typical" in the report, it refers specifically to the median. We use the median to better reflect a typical experience by minimizing the influence of extremely large values that could distort overall trends.

Survey Data

A survey was distributed and completed in February 2025 to nonprofit organizations that:

- Received at least one grant from Vanguard Charitable between January 1 and December 31, 2024, and
- Had an active profile in our system with a valid email address on file.

The survey was designed to explore the role that recurring granting plays in supporting organizations, as well as to better understand nonprofits' perspective on the value, challenges and benefits of receiving recurring funding.

Sample size: 1,749 organizations

Confidence level: 95%

Maximum margin of error: ± 2.3%

Notes

1 Typical recurring Vanguard Charitable donors give \$3,087 each year to the recipient nonprofit of their recurring grants. Compare this to typical individual recurring giving of \$949.19 according to a 2024 report on recurring giving. Neon One. The Recurring Giving Report. 2024. Accessed on April 15, 2025, at <https://neonone.com/resources/recurring-giving-report/>.

2 Nonprofits were asked to rate their agreement with the following: Recurring donors are more engaged with your organization than one-time donors. Engagement may include volunteering, interacting with board members or staff, attending fundraisers or events, serving as committee/board member, or any other interactions that extend and deepen a donor's relationship with a charitable organization—beyond a financial donation.

“Recurring gifts provide that steady stream of income, making it much easier to budget and plan long-term initiatives. Instead of scrambling to secure new funds each year, you can focus on expanding programs, improving operations, and strengthening relationships with the community. Plus, it shows the donor's ongoing trust and commitment to the mission.”

Ray C. Funnye, Executive Director

The Village Group





For more information on Vanguard Charitable donor-advised funds: Visit vanguardcharitable.org or contact us at info@vanguardcharitable.org or 888-383-4483.

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