



2019 | GIVING REPORT

 **FIDELITY** CharitableSM
Make more of a difference

Executive Summary

In a year of uncertainty related to tax reform and volatility in the markets, Fidelity Charitable® granted more than \$5 billion to charity. The record-breaking results of 2018 were fueled by the collective generosity of more than 200,000 donors who remain actively engaged and enthusiastic about philanthropy despite rocky economic conditions.

Stock market ups and downs were a defining force of 2018, culminating in the worst December market performance since the Great Depression. Despite these potential headwinds, last year our donors used their Giving Accounts to recommend nearly 1.3 million total grants, supporting more than 140,000 charitable organizations in every state and across the world.¹

More donors than ever are choosing donor-advised funds to sustain their charitable support, particularly in periods of volatility. Because donor-advised funds allow donors to receive an immediate tax deduction and then recommend grants over time, many donors made tax-savvy contributions in 2017 and then recommended grants to support their charitable goals in 2018. Last year's unprecedented grantmaking activity underscores the unique value of donor-advised funds, enabling donors to maintain—and even increase—their charitable impact.

This report illustrates how Fidelity Charitable donors continue to refine their philanthropic strategy, adopting strategies to optimize and maximize their charitable impact.

Key insights into our donor activity include:

Fidelity Charitable donors achieved unprecedented grantmaking results, displaying an enduring commitment to philanthropy even in periods of economic uncertainty.

Last year, Fidelity Charitable made nearly 1.3 million donor-recommended grants, totaling more than \$5.2 billion.

Grants went to 142,000 unique organizations large and small, reaching local, national and international groups.

Donors' grantmaking activity continues to accelerate, with the average Giving Account recommending more than 10 grants annually, nearly twice the average 10 years ago.

¹The "2019 Fidelity Charitable Giving Report" is based on data from Fidelity Charitable's internal reporting database, unless otherwise indicated.

Donors adapted to the changing tides of tax reform and a volatile stock market to give generously in 2018.

Last year, donors established 15,000 new Giving Accounts. Because they can receive an immediate tax deduction and then recommend grants over time, many donors are turning to donor-advised funds after tax reform. This allows them to time their charitable gifts for maximum tax savings while maintaining regular support to the charities they love.

In 2018, more than half of contributions to Fidelity Charitable were in the form of appreciated securities, such as stocks. Despite a volatile market throughout the year, many donors chose to donate securities that had significantly appreciated over the past decade of strong economic growth.

Contributions of non-publicly traded assets crossed a new all-time threshold, with more than \$1 billion in assets such as private stock, limited partnership interest, real estate or cryptocurrency. Fidelity Charitable's in-house expertise helps facilitate these complicated contributions, quickly converting complex assets into cash available for granting.

The growth of impact investing shows donors embracing new strategies to maximize the impact of their charitable dollars.

Giving to impact investing nonprofits has nearly doubled since 2013, totaling \$22 million last year. These charities raise funds to support their investments in socially minded organizations and projects.

The charitable dollars Fidelity Charitable Giving Accounts allocated to impact investment funds increased by 16 percent last year to nearly \$1 billion. Fidelity Charitable launched three new impact investment pools in 2018.

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What is a donor-advised fund?

A donor-advised fund is a charitable account sponsored by a public charity that donors use to support their charitable giving. A donor-advised fund, called a Giving Account® at Fidelity Charitable, makes it easier for donors to plan their giving and be more strategic, maximizing their generosity. Donors can contribute many types of assets, advise how those assets are invested for growth and provide even more support to charities over time.

Establishing and using a donor-advised fund



Donors make a tax-deductible donation

A donor can give cash, stocks, real estate or non-publicly traded assets to Fidelity Charitable or another public charity that sponsors a donor-advised fund program. The charity establishes a donor-advised fund in the donor's name, and the donor can make additional contributions at any time.



... grow the donation tax-free

While donors decide which charities to support, their donations can potentially grow based on how they recommend them to be invested. At Fidelity Charitable, donors can recommend an investment strategy that aligns with their goals and time horizons for giving through investment pools or investment advisor-managed accounts. In 2018, Fidelity Charitable expanded the menu of investment options with three new impact investment pools, which focus on social and environmental factors while maximizing financial return.



... and support charities.

Donors can support any IRS-qualified public charities with the money in their donor-advised funds. Before making a grant, Fidelity Charitable conducts due diligence on recommendations to ensure the funds will be used for charitable purposes.

Fidelity Charitable Donors

The giving community continues to flourish, surpassing 200,000 generous donors in 2018.

Donor-advised funds continue to be the fastest-growing vehicle for giving in the United States,² and the continued increase in new Giving Accounts at Fidelity Charitable reflects the upward trend. The number of Giving Accounts has more than doubled in the last decade, with the Fidelity Charitable community topping 200,000 donors last year.

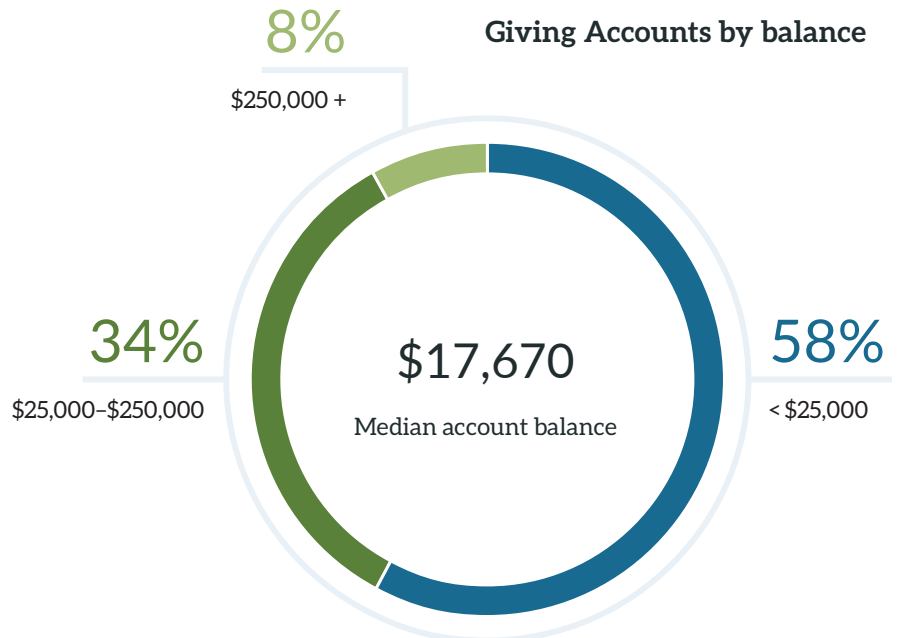
204,292³

Number of donors in 2018



Giving Account balances reflect a range of donor giving.

With low administrative costs relative to other giving vehicles, Giving Accounts are used by donors across the wealth spectrum to achieve their charitable goals. Most Giving Accounts have balances under \$25,000; just 8 percent have balances of more than \$250,000.



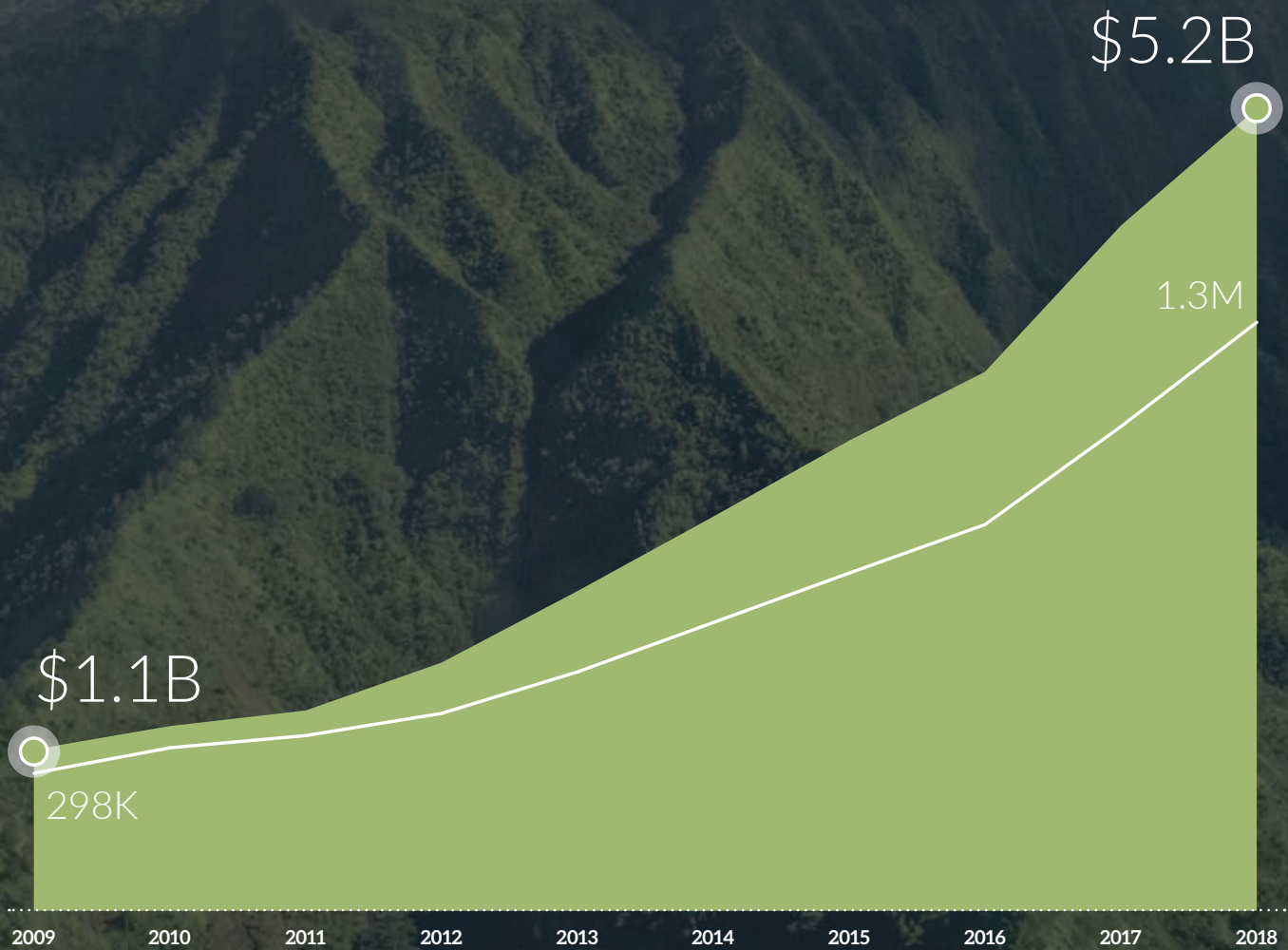
² National Philanthropic Trust, "2018 Donor-Advised Fund Report"

³ Does not include third-party contributors or other third-party individuals.

Donors' Charitable Support

Donor-recommended grant dollars and volumes reach new heights, more than doubling in the past five years.

Despite uncertainty around tax reform and a volatile stock market, one constant remains: the unwavering generosity of Fidelity Charitable donors. In 2018, Fidelity Charitable made an unprecedented \$5.2 billion in donor-recommended grants, a 17 percent increase from 2017. Individual grants of \$1 million or more grew to 582 last year, an increase of 15 percent.

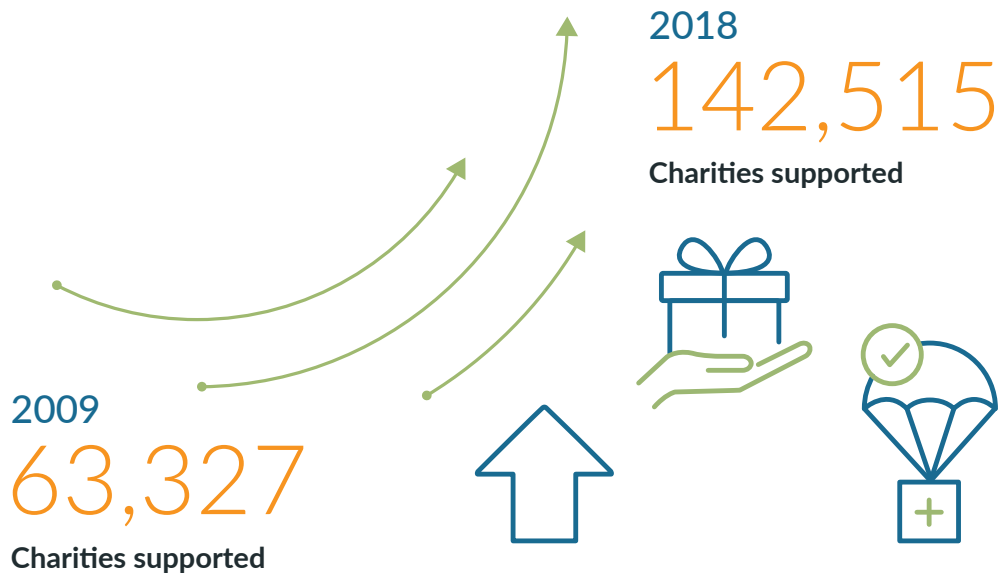


Total grant dollars and volume, by year

The number of charities that donors support has more than doubled in the past 10 years.

As our community grows each year, our donors' charitable interests and goals naturally broaden. Each donor has causes he or she is passionate about, which is clearly illustrated by the sheer variety of the 140,000 unique nonprofits to which our donors recommended grants in 2018. Donor support is broadly dispersed across a wide variety of organizations, ranging from local interests to international relief and development. In fact, more than half of the charities to which Fidelity Charitable granted funds were supported by only one Giving Account. This shows many donors' focus on supporting smaller organizations in their local community where they have personal ties, such as a local animal shelter, their religious institution, or a friend's charity marathon.

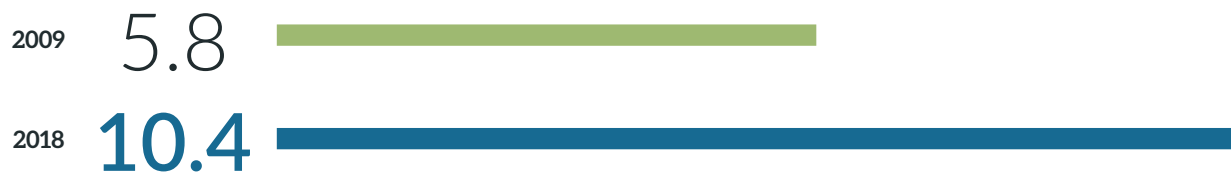
Since inception, Fidelity Charitable has supported more than 278,000 charities with donor-recommended grants.



The number of grants recommended per Giving Account has nearly doubled in a decade.

The average number of grants per Giving Account continues to increase, while the average grant size stayed relatively flat in 2018, decreasing slightly from \$4,246 in 2017 to \$4,092 last year. Donors may become more engaged as they use their accounts, or they may expand the pool of organizations they support as their giving strategies mature.

Average number of grants per Giving Account



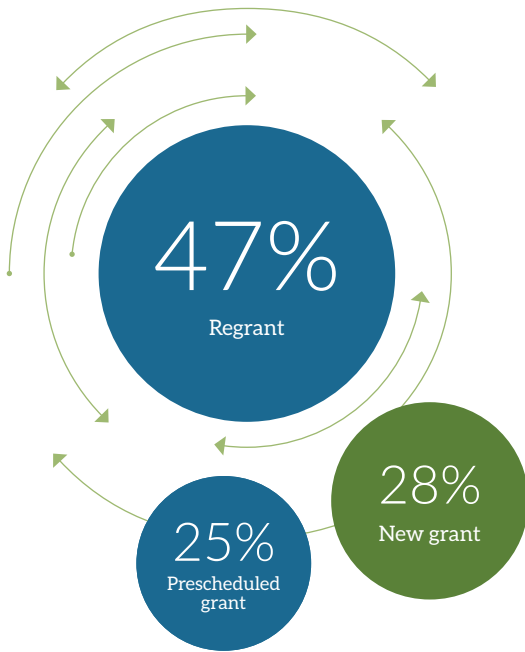
Seventy-two percent of grants went to charities donors had previously supported.

Similarly demonstrating the consistency and commitment of Fidelity Charitable donors, much of donors' year-over-year nonprofit support remains the same. About 7 out of every 10 grants went to a charity the donor had previously supported.

Almost all donors include their names and addresses on grants.

The vast majority of grants include donor names and addresses so the recipient organizations can acknowledge the gift. A handful of grants share just the name of the donor's Giving Account, while only 3 percent of grants are completely anonymous.

Grants by type of recommendation

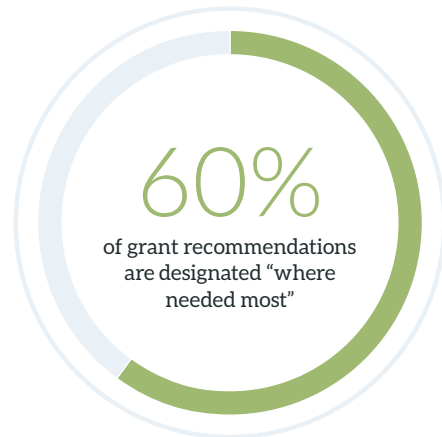


Grant acknowledgment information



Donors recommend a large percentage of grants to be used "where needed most."

A designation of "where needed most" gives nonprofits the flexibility to apply these funds to their most mission-critical priorities.⁴ While donors have the option of designating their grant to a specific fund, campaign or other use, the majority opt to make unrestricted grants to the charities they support.



⁴ While grant recipients must use grants for charitable purposes and in conformity with Fidelity Charitable's policies and applicable laws, special purposes are conveyed to grant recipients as recommendations, not restrictions.

Ranking of the most popular charities in 2018⁵

1

Doctors Without Borders USA

Change from 2017: +1

2

American National Red Cross

Change from 2017: -1

3

The Salvation Army

Change from 2017: 0

4. St. Jude Children's Research Hospital

Change from 2017: +1

5. Planned Parenthood Federation of America

Change from 2017: -1

6. Habitat for Humanity

Change from 2017: 0

7. United Way

Change from 2017: 0

8. Southern Poverty Law Center

Change from 2017: +1

9. American Civil Liberties Union Foundation

Change from 2017: -1

10. Nature Conservancy

Change from 2017: 0

11. American Cancer Society

Change from 2017: 0

12. Pan-Mass Challenge

Change from 2017: 0

13. Alzheimer's Association

Change from 2017: 0

14. American Heart Association

Change from 2017: +1

15. Wikimedia Foundation

New

16. Natural Resources Defense Council

Change from 2017: +2

17. Church of Jesus Christ of Latter-day Saints

Change from 2017: -1

18. U.S. Fund for UNICEF

Change from 2017: -4

19. Wounded Warrior Project

New

20. Dana Farber Cancer Institute

New

⁵ Fidelity Charitable's most popular nonprofit list is ranked based on the number of Giving Accounts supporting an individual charity, and includes the 20 most popular charities by Giving Account support. Doctors Without Borders USA received support from more than 7,000 Giving Accounts. The American Red Cross received support from more than 6,000 Giving Accounts, while The Salvation Army received support from more than 5,500 Giving Accounts. The other charities on this list received support from 1,000 to 5,500 Giving Accounts.

Current events in the news continue to influence donor giving.

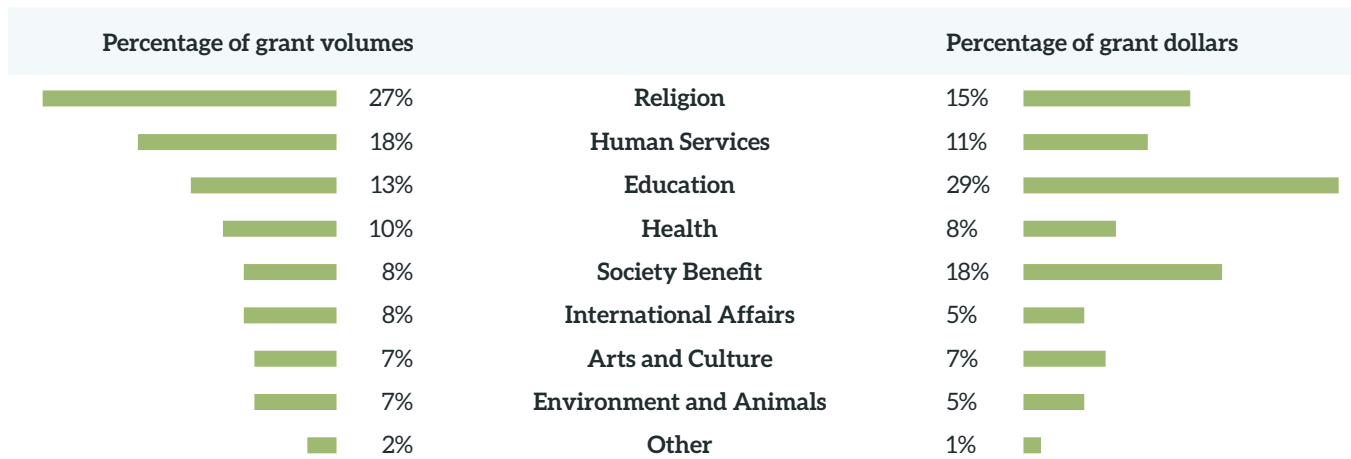
Donors consistently use their giving to respond to domestic and international policies. The Natural Resources Defense Council and Southern Poverty Law Center each rose on the charity list. Planned Parenthood and the American Civil Liberties Union Foundation also maintained strong standings.

After a surge of natural disasters, 2017 saw a spike in giving to organizations that provide relief for affected communities. With fewer natural disasters in 2018, several relief organizations saw a drop in donor contributions, with Samaritan's Purse, Oxfam America and the International Rescue Committee dropping from the top charities list. Most disaster-related giving happens immediately after an event, with fewer donors engaged in long-term rebuilding efforts.

The overarching themes in donor giving remain consistent year-over-year.

While our list of most popular charities often reflects the important issues and events of the year, the broad categories that donors support vary little year-over-year, in both charitable dollars and grant volumes. Since Fidelity Charitable launched the Giving Report in 2013, education has regularly received the most yearly grant dollars; religion has received the greatest grant volumes.

2018 distribution of grant dollars and volumes, by charitable sector

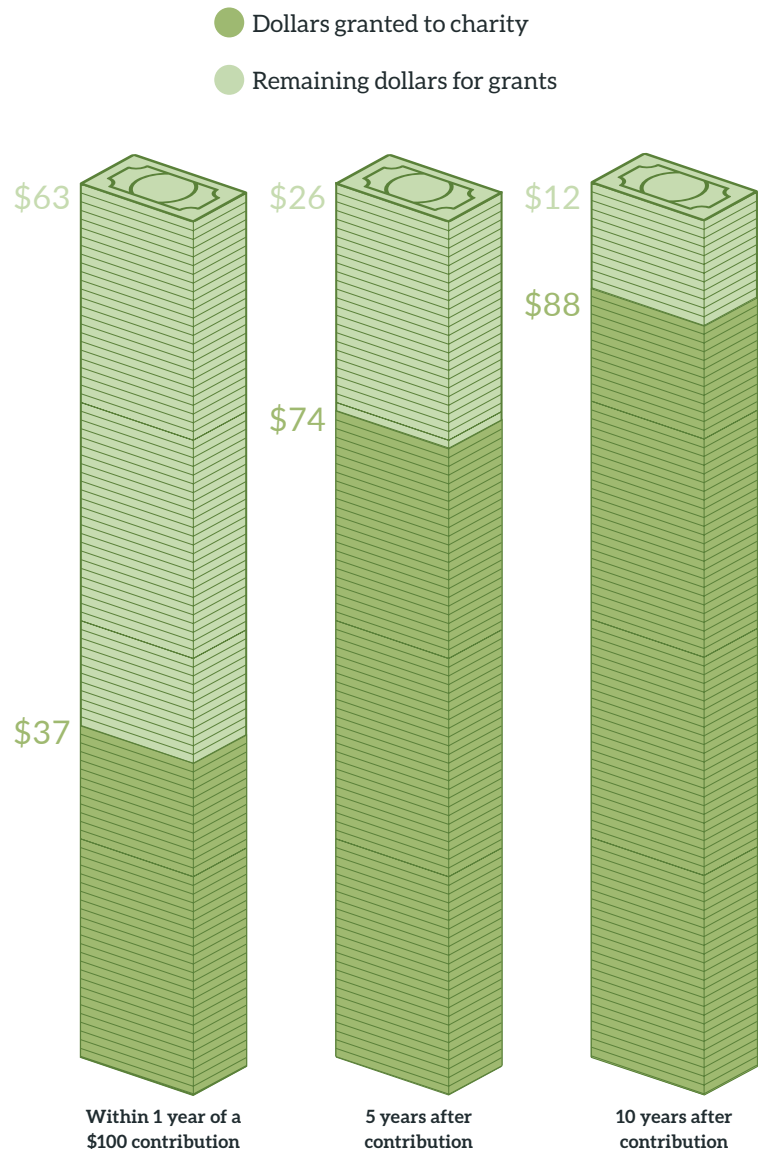


Donor contributions are actively granted to charity; three quarters of grant dollars are distributed within five years.

While donors cite numerous motivations for contributing to a Giving Account, donor behavior after funding an account is consistent: They are actively recommending grants to charities from their Giving Accounts. A first-in, first-out analysis of contribution and grant dollars reveals that within five years of a \$100 contribution to Fidelity Charitable, \$74 has been granted to charities. After 10 years, \$88 has gone to charities and only \$12 remains to be granted.

Because of tax reform, many donors are adjusting the cadence of their Giving Account contributions in order to maximize their tax benefit. By accelerating their contributions in one year, they are able to surpass the standard deduction and qualify for an immediate tax benefit. They can then recommend grants in the time frame that works best for them. Donor-advised funds are helping donors maintain a consistent level of support to the charities they care about, while allowing them to time their contributions for the maximum tax deduction. Though the effects of tax reform aren't yet fully clear, we expect that the unique structure of donor-advised funds will encourage donors to maintain their consistent pace of granting.

Pace of contributions granted to charity



Spotlight: Impact Investing

Donors are embracing new ways to make more of a difference with impact investing.

Reflected in both their investment and grantmaking choices, donors are increasingly adopting the concept of impact investing. In 2018, there was a 16 percent increase in charitable dollars allocated to impact investments and a 10 percent increase in the number of grants to impact investment nonprofits.

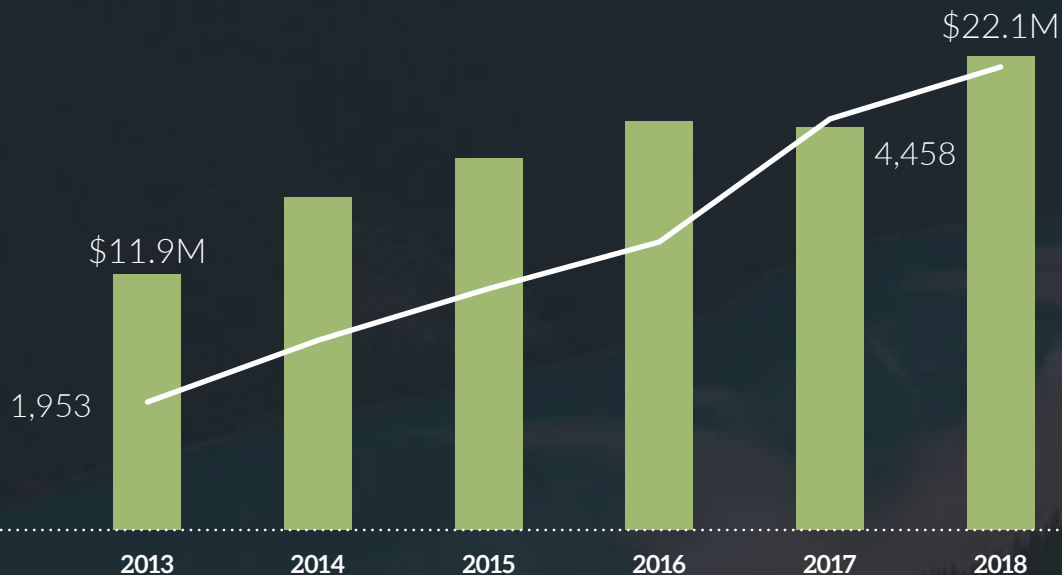
Impact investing exemplifies the idea that a donor can “do well while doing good” with their investments. Many donors invest in companies with an explicit social mission or avoid investing in companies with practices that the donor believes have a negative impact. Donors are also increasingly recommending grants to organizations that blend these grant funds with investment capital in order to support larger or higher-risk projects that may not otherwise be financially viable. Finally, donors in the Private Donor Group at Fidelity Charitable may recommend recoverable grants to charities, which allow the organization to achieve agreed-upon milestones before returning the funds to Fidelity Charitable for future grant recommendations from the donor’s Giving Account.

For many Fidelity Charitable donors, philanthropy and impact investing go hand in hand. It’s just one more way to more closely align their financial choices with their values.

Donor support of impact investing nonprofits has nearly doubled in five years.

Last year, Fidelity Charitable made more than 4,000 donor-recommended grants to impact investing nonprofits, totaling more than \$22 million. Support for impact investing nonprofits has nearly doubled in the last five years.

Grant volumes and dollars to impact investing nonprofits

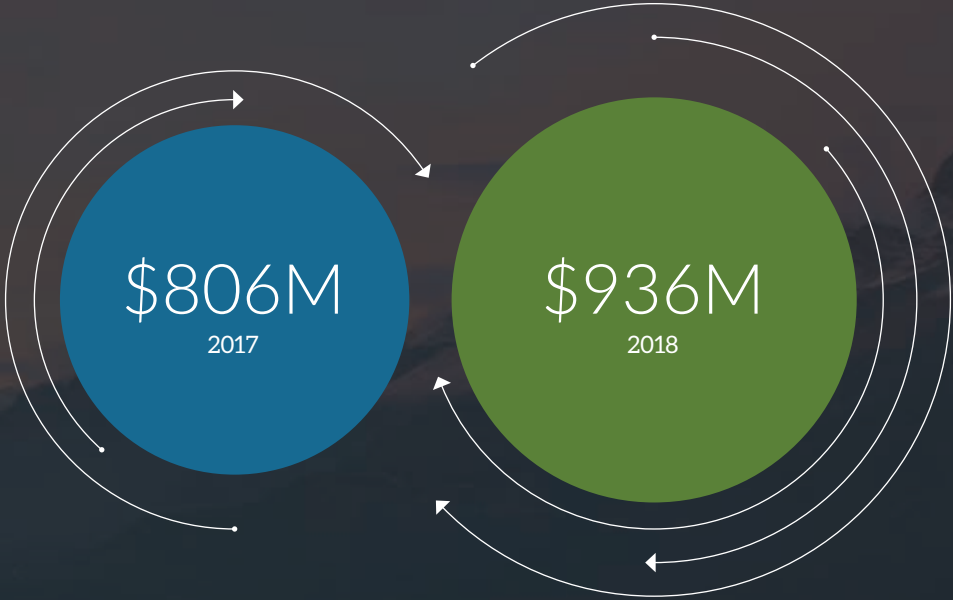


Donors are increasingly putting their charitable dollars to work, with nearly \$1 billion allocated to impact investments.

Last year, Fidelity Charitable launched three new impact investment pools, for a total of four impact options available for donors to make investment recommendations for their Giving Accounts. \$936 million is now allocated to impact investment funds while donors decide how they would like to recommend grants to charity.⁶

More popular with younger donors—Millennials and Gen Xers—these investments consider social and environmental impacts, while also seeking to maximize financial returns. The increasing popularity of these investments signals that impact investing is moving from a trend to a widely-accepted strategy among donor-investors at all levels.

Total assets in impact investments



⁶Includes assets held in Fidelity Charitable investment pools and in managed accounts.

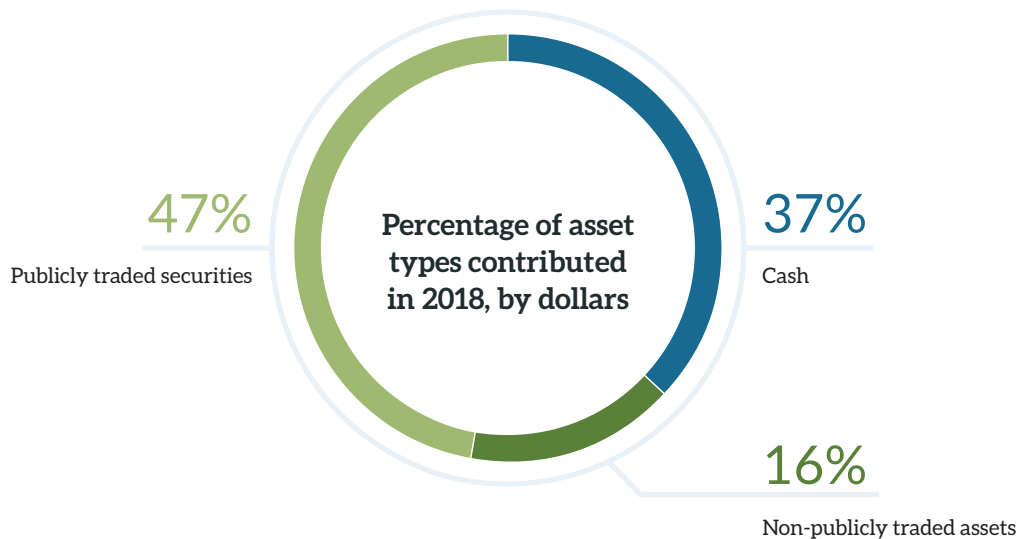
Funding Donor Giving

After the Tax Cuts and Jobs Act was signed into law in 2017, it became unclear to many donors how their tax returns—and their charitable giving—could be affected. Despite the uncertainty, donors were clear that they wanted to continue their support of charitable causes, with four out of five donors planning to maintain or increase their giving levels in 2018.⁷

While their commitment to philanthropy remained firm, tax reform did spur donors to reconsider the way they were giving. Some donors chose to time their donations more strategically in order to maximize their tax benefit. Many others capitalized on the past several years of strong economic conditions and donated highly appreciated non-cash assets. These savvy strategies enabled donors to make the most of their contributions—maximizing tax savings and leaving even more funds for the charities they care most about.

In 2018, 63 percent of contributions were non-cash assets.

Fidelity Charitable donors reach beyond charitable giving and embrace charitable planning, which is unmistakable when looking at the types of assets that donors contribute. While most charitable contributions in the United States are made in cash, checks or credit cards,⁸ more than 60 percent of Fidelity Charitable contributions in 2018 were made in the form of more strategic non-cash assets, including publicly traded securities (stocks, bonds and mutual funds) and non-publicly traded assets (private stock, restricted stock, limited partnership interests and cryptocurrency). Despite a volatile stock market in 2018, many donors contributed assets that were highly appreciated from the previous decade of strong economic growth.



⁷ Fidelity Charitable research on tax reform and charitable giving, 2018.

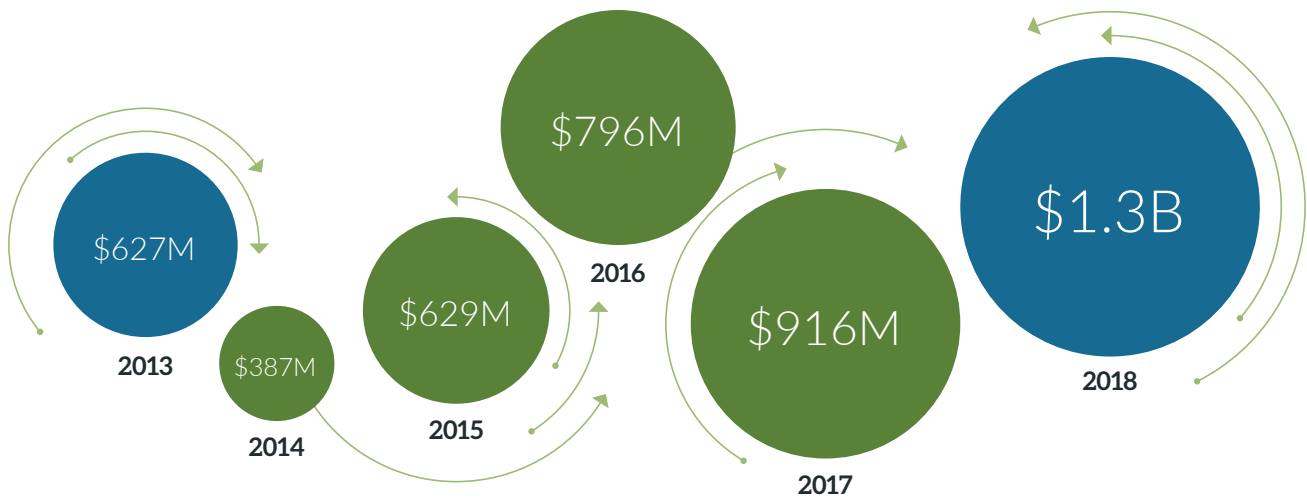
⁸ Internal Revenue Service, "Statistics of Income Bulletins."

Contributions of non-publicly traded assets hit \$1 billion milestone.

Non-publicly traded assets represent a significant portion of wealth in the United States but have traditionally been a largely untapped source of philanthropic funding,⁹ in part because these assets—such as private stock, limited partnership interest, real estate or cryptocurrency—can be complicated both for individuals to give and for some nonprofits to accept.

Fidelity Charitable has expertise in the donation of non-publicly traded assets and has seen notable growth in these types of contributions in recent years. Since inception, Fidelity Charitable has converted more than \$6 billion in non-publicly traded assets into dollars for charity.

Non-publicly traded asset contributions, by dollars

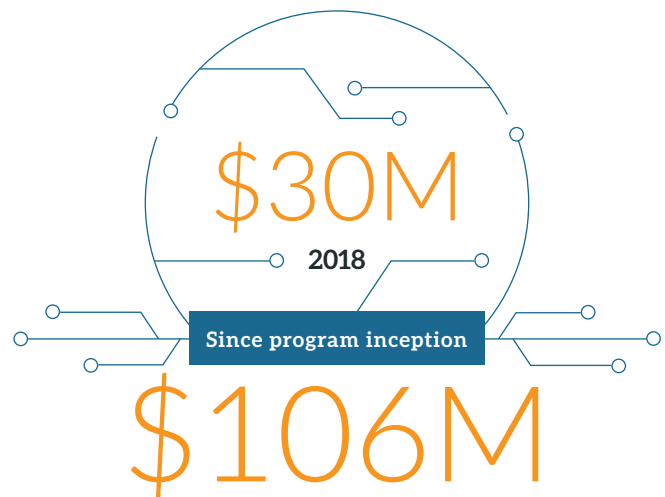


Cryptocurrency contributions surpass \$100 million since program inception.

Though cryptocurrency values cooled off considerably by the end of 2018, they began the year at a peak. Fidelity Charitable's ability to accept cryptocurrency donations, including bitcoin, allowed these donors to eliminate any capital gains taxes and give the full fair market value to charity.

Since Fidelity Charitable began accepting cryptocurrency in 2015, donors have made contributions totaling nearly \$106 million.

Cryptocurrency contributions

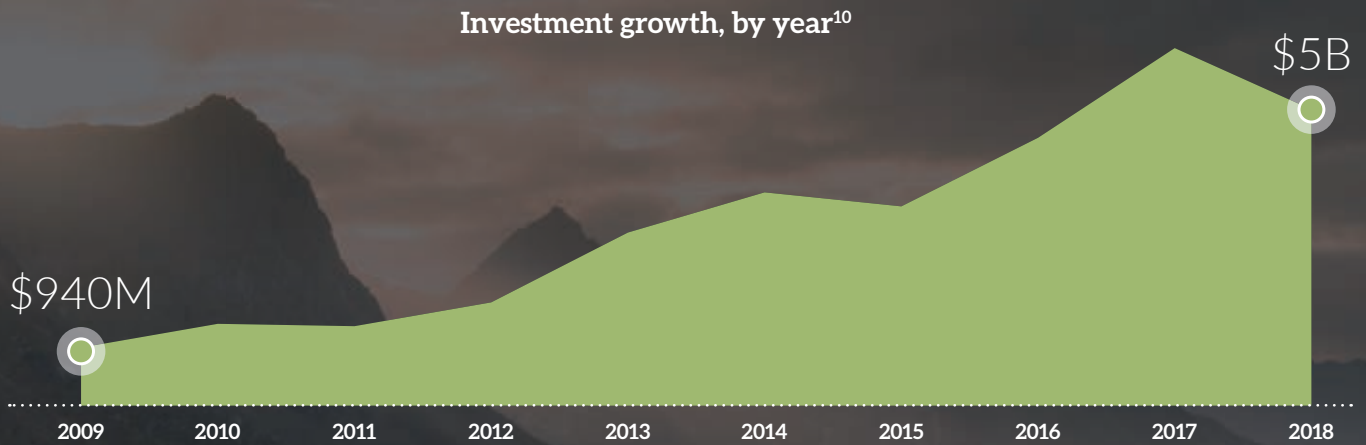


⁹ Deloitte Consulting, "The Next Decade in Global Wealth Among Millionaire Households," 2011. The report states the top 1 percent of U.S. households hold 36 percent of their wealth in privately held businesses.

Investment growth of charitable dollars reflects a volatile year in the market.

After a contribution is made, Fidelity Charitable donors can select from a variety of investment options and recommend a strategy that aligns with their own charitable goals and time frames. Donors can choose either an investment advisor managed account or Fidelity Charitable's wide array of investment pools, ranging from a conservative money market pool to more aggressive investments.

After 10 years of strong and steady economic growth, 2018 saw a volatile market, particularly in the unpredictable final weeks of the year. The additional charitable dollars created through investment growth dropped as a result. However, since inception, Fidelity Charitable investment growth is still in positive territory, with an additional \$5 billion in net dollars available to be granted to charitable organizations as a result.



¹⁰ As of December 31, 2018.

Methodology

The majority of data for this report was obtained from Fidelity Charitable's internal reporting database. Other sources, data and figures are cited throughout the report. The report looks at Fidelity Charitable activity in calendar year 2018 and includes prior calendar years for trends. Where figures represent a "snapshot," values are as of December 31, 2018 (and prior calendar year-ends). For example, when we say that Fidelity Charitable has 123,114 total Giving Accounts, that number represents a snapshot of funded Giving Accounts at year-end 2018, and it is understood that the count naturally fluctuated throughout the year. The number of Giving Accounts used to calculate grants per Giving Account differs from the snapshot number—because any Giving Account with a balance during the calendar year is included in the calculation, whether or not it is still active and holds a balance at the end of the year.

Throughout the report, "donors" refers to the primary Account Holder or the primary corporate contact connected to the Giving Account. All Giving Accounts have one person designated as the primary Account Holder (or, in the case of corporate accounts, the primary corporate contact), although each Giving Account may have more than one Account Holder (i.e., person with advisory privileges, including the ability to recommend grants) associated with it. The exceptions to the use of "donor" solely in reference to the primary Account Holder on a Giving Account are the total-donor statistics on pages 2 and 5 ("more than 200,000") which include all Account Holders (primary and sometimes multiple secondary) and all corporate contacts (primary and sometimes multiple secondary). In this report, the terms "donor" and "donors" do not refer to any third party individuals.

The specific analysis conducted for the chart on page 11 reviews granting of contribution dollars in Giving Accounts using a first-in, first-out methodology. The analysis reviews donor contributions each year and then analyzes grant recommendations associated with these contributions in subsequent years. A limited number of Giving Accounts with significant transfer activity were excluded from the analysis.

The cumulative investment growth analysis conducted for the chart on page 16 was calculated by subtracting the total Fidelity Charitable net contributions since inception from the total of Giving Account balances. Numbers are as of December 31 of each year.

About Fidelity Charitable

Fidelity Charitable is an independent public charity that has helped donors support more than 278,000 nonprofit organizations with nearly \$35 billion in grants. Established in 1991, Fidelity Charitable launched the first national donor-advised fund program. The mission of the organization is to grow the American tradition of philanthropy by providing programs that make charitable giving accessible, simple and effective.

Disclosures

Fidelity Charitable is the brand name for the Fidelity Investments® Charitable Gift Fund, an independent public charity donor-advised fund program. Various Fidelity companies provide services to Fidelity Charitable. The Fidelity Charitable name and logo and Fidelity are registered service marks of FMR LLC, used by Fidelity Charitable under license. Giving Account® is a registered service mark of the Trustees of Fidelity Charitable.

Information provided is general and educational in nature and should not be construed as legal or tax advice. Fidelity Charitable does not provide legal or tax advice. Content provided relates to taxation at the federal level only, and availability of certain federal income tax deductions may depend on whether you itemize deductions. Rules and regulations regarding tax deductions for charitable giving vary at the state level, and laws of a specific state or laws relevant to a particular situation may affect the applicability, accuracy or completeness of the information provided. Charitable contributions of capital gain property held for more than one year are usually deductible at fair market value. Deductions for capital gain property held for one year or less are usually limited to cost basis. Consult an attorney or tax advisor regarding your specific legal or tax situation.

Eligible grant recipients of Fidelity Charitable include IRS-qualified public charities described in Internal Revenue Code Section 501(c)(3), with the exception of certain types of organizations (e.g., non-functionally integrated type III supporting organizations).

All grant recommendations, including scheduled grants, are subject to review by the Trustees of Fidelity Charitable. Third-party marks are the property of their respective owners; all other marks are the property of FMR LLC.





To learn more about the Fidelity Charitable Giving Account,
visit our website at FidelityCharitable.org or call us at 1-800-262-6039