



Surge in Donor-Advised Fund Giving as Tax Cuts End

Description

Strong stock market returns and changes to tax laws helped charitable giving grow in 2025. DAFgiving360, a major manager of donor-advised funds (DAFs), reported that donors gave an all-time high of £9.9 billion to charities. This is £2.2 billion, or 28%, more than in the previous year.

Donors can give cash or other assets to DAFs and get a tax deduction right away. They can then decide later how to donate to charities. DAFs make it easier for donors to give stocks or assets without paying capital gains tax. Until the DAF gives money to charities, the assets can increase in value. Julie Sunwoo, president of DAFgiving360, said that 74% of last year's contributions were in non-cash assets, including stocks, real estate, and cryptocurrency.

Sunwoo noted that a key reason for the increase was President Donald Trump's new tax law, which started in July. This law will change tax benefits for wealthy donors beginning in 2026. Many financial advisors urged clients to give more before these changes took effect. The law will likely lower annual charitable giving by £4.1 billion.

The law also limits tax benefits for itemizers, meaning many donors may give less in the future. Tax planner David Perez advised clients to fund their DAFs with enough money for the next few years before the tax changes. He believes these changes will make it harder for donors to give quickly, as using DAFs requires more effort than simply writing a cheque.

Vocabulary List:

1. **Charitable** /'tʃærɪtəbl/ (adjective): Relating to the organization or distribution of help to those in need.
2. **Contributions** /,kɒntrɪ'bju:ʃənz/ (noun): Amounts of money or goods given to a cause or organization.
3. **Deduction** /dɪ'dʌkʃən/ (noun): An amount that can be subtracted from total income to reduce taxable income.
4. **Assets** /'æsɛts/ (noun): Resources owned by an individual or organization valuable items or properties.
5. **Beneficiary** /,bɛnɪ'fɪjəri/ (noun): A person or group that receives benefits from something especially funds.
6. **Advisor** /əd'vaɪzər/ (noun): A person who provides expert advice professionally.

Comprehension Questions



Multiple Choice

1. What was the total amount donated by donors to charities in 2025?
Option: £7.7 billion
Option: £9.9 billion
Option: £11.2 billion
Option: £13.6 billion
2. What percentage increase was seen in charitable giving in 2025 compared to the previous year?
Option: 12%
Option: 18%
Option: 24%
Option: 28%
3. What percentage of last year's contributions were in non-cash assets according to Julie Sunwoo?
Option: 62%
Option: 68%
Option: 74%
Option: 80%
4. When did President Donald Trump's new tax law impacting charitable giving begin?
Option: January
Option: April
Option: July
Option: October
5. What is the key reason cited for the increase in charitable giving in 2025?
Option: Changes to tax laws
Option: Decrease in stock market returns
Option: Increased interest rates
Option: Political instability
6. What type of assets did Julie Sunwoo mention that donors contributed in 2025?
Option: Cars and boats
Option: Collectibles and art
Option: Stocks and real estate
Option: Government bonds and savings accounts



True-False

7. DAFs allow donors to give stocks or assets without paying capital gains tax.
8. President Donald Trump's new tax law will increase tax benefits for wealthy donors starting in 2026.
9. Donors are likely to give more in the future due to the tax changes according to David Perez.
10. The law limits tax benefits for itemizers which might lead to decreased charitable giving.
11. Funding a DAF requires less effort than writing a cheque according to David Perez.
12. Donors who contribute to a DAF can only give cash and not other assets.

Gap-Fill

13. President Donald Trump's new tax law will change tax benefits for wealthy donors beginning in _____.
14. Julie Sunwoo, the president of DAFgiving360, mentioned that 74% of last year's contributions were in non-cash assets such as stocks, real estate, and _____.
15. Many financial advisors urged clients to give more before the tax changes took effect in order to take advantage of the current tax _____.
16. Tax planner David Perez advised clients to fund their DAFs with enough money for the next few years before the tax _____.
17. The law will likely lower annual charitable giving by £ _____ billion due to the new tax regulations for wealthy donors.
18. David Perez believes that the new tax changes will make it harder for donors to give quickly as using



DAFs requires more _____ than writing a cheque.

Answer

Multiple Choice: 1. £9.9 billion 2. 28% 3. 74% 4. July 5. Changes to tax laws 6. Stocks and real estate

True-False: 7. True 8. False 9. False 10. True 11. False 12. False

Gap-Fill: 13. 2026 14. cryptocurrency 15. benefits 16. changes 17. 4.1 18. effort

Vocabulary quizzes

Multiple Choice (Select the Correct answer for each question.)

1. What is a business combination where two companies consolidate to form a new entity?

- Option: Investment
- Option: Merger
- Option: Competition
- Option: Ownership

2. Which term refers to having the legal right to possess a particular asset?

- Option: Response
- Option: Ownership
- Option: Tech
- Option: Trapped

3. What is the authorization granted to do something that would be otherwise forbidden?

- Option: Attract
- Option: Investment
- Option: Permission
- Option: Pressure

4. Which term refers to the enforcement of rules by a governing body to control conduct?

- Option: Pressure
- Option: Regulation
- Option: Concerns
- Option: Access

5. What are assets acquired for income or capital appreciation?

- Option: Cryptocurrency
- Option: Deduction



- Option: Assets
- Option: Investments

6. Donations given to support a cause or charity are known as:

- Option: Emergency
- Option: Contributions
- Option: Advisor
- Option: Sell-off

7. What is the effect or influence produced by an action or event?

- Option: Concerns
- Option: Pressure
- Option: Impact
- Option: Access

8. What is the distribution of audio or video content to a wide audience?

- Option: Beneficiary
- Option: Broadcasting
- Option: Charitable
- Option: Ownership

9. A slang abbreviation for technology is:

- Option: Attract
- Option: Responders
- Option: Tech
- Option: Ownership

10. What is the inherent capacity for growth development or success?

- Option: Pressure
- Option: Unrealized
- Option: Potential
- Option: Assets

Gap-Fill (Fill in the blanks with the correct word from the vocabulary list.)

11. In the world of business there is often a lot of _____ to perform well and meet targets.

12. When you possess something legally you have _____ of that particular asset.



13. Investors felt _____ as the market crashed unable to sell their stocks at a profit.
14. Emergency services are often referred to as first _____ during crises or accidents.
15. Real estate stocks and bonds are examples of financial _____ that individuals can own.
16. Bitcoin is a popular type of _____ that operates independently of central banks.
17. Companies strive to create products that will _____ customers and boost sales.
18. The person who receives assets or benefits from a will or trust is called the _____.
19. A tax _____ is an expense that can be subtracted from one's taxable income.
20. During a market downturn many investors engage in a panic _____ of their holdings.

Matching Sentences (Match each definition to the correct word from the vocabulary list.)

21. An individual decides to provide capital to a startup in exchange for equity.
22. Companies have worries regarding the potential impacts of new regulations on their operations.
23. Organizations undertake specific tasks with defined objectives and timelines.
24. Situations necessitate immediate action to address unforeseen events.
25. Organizations engage in activities aimed at improving society or assisting those in need.
26. Real estate vehicles and investments are examples of items that hold value.
27. A person entitled to receive funds or assets as outlined in a legal document.
28. Individuals seek guidance and recommendations on financial matters from professionals.
29. Gains or losses on investments that have not yet been actualized through selling.
30. There is often stress or expectation to perform well under demanding circumstances.



Answer

Multiple Choice: 1. Merger 2. Ownership 3. Permission 4. Regulation 5. Investments 6. Contributions 7. Impact 8. Broadcasting 9. Tech 10. Potential

Gap-Fill: 11. Pressure 12. Ownership 13. Trapped 14. Responders 15. Assets 16. Cryptocurrency 17. Attract 18. Beneficiary 19. Deduction 20. Sell-off

Matching sentence: 1. Invest 2. Concerns 3. Projects 4. Emergency 5. Charitable 6. Assets 7. Beneficiary 8. Advisor 9. Unrealized 10. Pressure

CATEGORY

1. Business - LEVEL2

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Author

aimeeyoung99

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